

**(57) Abstract:** The invention provides an impartial forum operable to match investors with a universe of investment service providers, and matches both investors and service providers with a universe of financial resources and alternative investments. One or more service provider profiles each having at least one credential are compiled. The credentials of each of the service provider profiles are verified and service provider profiles having credentials that cannot be verified are identified. One or more verified service provider profiles are compiled. At least one insurance policy is obtained insuring that the credentials of each of the verified service provider profiles are correct. At least one customer profile is received and at least one verified service provider profile that generally corresponds to the customer profile is identified. Resource and alternative investment profiles generally corresponding to the service provider and investor profiles can also be identified. A tiered matching system can be used to match user profiles to service provider, resource and/or alternative investment profiles.

## INVESTMENT REFERRAL SYSTEM AND METHOD

The present invention relates to a service provider referral system and method and, in particular, relates to a system and method for matching investors with investment  
5 service providers and/or financial resources and/or alternative investments.

Investors, particularly on-line investors, face significant difficulties in identifying suitable financial advice and/or financial products. First, there is the problem of overload. Many investment-related Internet World Wide Web ("Web") sites contain so much information and offer so many products that the user tends to feel overwhelmed.  
10 Such overload can be difficult to manage in the absence of a developed navigation system. Moreover, the sheer volume of these Web sites can be frustrating. Second, there is an information deficit. Many providers have little or no Internet presence. In the case of large firms that post information on the Internet, there is often little information about the individuals at those firms.

Finally, there is an asymmetry problem. Even when information about providers is available, it is often difficult to find that information. This relates to a fragmentation problem in the financial services industry; the user simply does not know where to look for information about investment providers. Although many Internet search engines are available, existing search engines tend not to address the financial industry with much  
20 sophistication.

Professional financial advice is offered by hundreds of thousands of professionals in the United States who fall under numerous designations, including Registered Investment Advisors ("RIAs"), Financial Planners, Stockbrokers and Accountants (who give investment advice). They have different minimum account sizes, subscribe to many  
25 contrasting investment philosophies and offer widely varied services. For investors and investment professionals, there are also innumerable financial resources, such as newsletters, magazines, databases, planning tools, account management software and online brokerage firms, each geared to different needs and interests. There is also a wide array of newsletters, magazines, databases, planning tools, account management software  
30 and online brokerage firms. Finally, there are numerous alternative investment opportunities, including hedge funds, venture capital funds, private equity funds and private real estate funds. The fragmentation in each of these sectors forces investors to rely on referrals of friends, family and business associates in order to locate the people or

products that they seek. Similarly, professionals rely on various sources and personal contacts to locate appropriate money management tools and alternative investment vehicles.

At present, there is no adequate solution to the aforementioned fragmentation and information problems. Investors and professionals are forced to rely on less than optimal information sources and personal contacts to locate appropriate resources, money management tools, alternative investment vehicles and the like. Moreover, investors rely primarily on the referrals of friends and family to find professionals, but most do not have a sufficient network to make effective decisions. Current research suggest that 20 million American households would like investment advice, but do not receive it because they do not know where to find it or cannot find it at an affordable price. It is believed that the magnitude of this problem will only increase. What is needed in the art and provided by the invention is an impartial forum operable to match investors with a universe of investment professionals, and matches both investors and professionals with a universe of financial resources and alternative investments.

**Summary of the Invention**

The invention concerns a system and method that facilitates matching users or customers with service providers. A preferred aspect of the invention is directed to a system and method that facilitates matching investors with investment professionals and/or financial resources. In a preferred embodiment, the invention is directed to a system and method for generating one or more verified service provider profiles. One or more service provider profiles each having at least one credential are compiled. The credentials of each of the service provider profiles are verified and service provider profiles having credentials that cannot be verified are identified. One or more verified service provider profiles are compiled; and at least one insurance policy is obtained insuring that the credentials of each of the verified service provider profiles are correct.

Preferably, the credentials of each of the service provider profiles are independently verified. In a preferred aspect of the invention the service provider profiles include at least one credential associated with at least one of a Registered Investment Advisor, MBA, Financial Planner and Registered Representative. Other forms of credentials are within the scope of the invention. Typical service provider profiles include at least one of a social security number, employment history, educational background, professional designations, trade certifications and licenses associated with a service provider.

In a preferred embodiment, the insurance policy inures to the benefit of a customer who relies on a verified service provider profile having credentials that are materially inaccurate. Coverage is preferably provided for amounts transferred to and lost by a service provider due to negligence, embezzlement, misuse of funds, gross mismanagement and/or fraud.

Another aspect of the invention provides a service provider referral system and method. One or more service provider profiles each having at least one credential are compiled. The credentials of each of the service provider profiles are verified and service provider profiles having credentials that cannot be verified are identified. One or more verified service provider profiles are compiled. At least one insurance policy is obtained insuring that the credentials of each of the verified service provider profiles are correct. At least one customer profile is received and at least one verified service provider profile that generally corresponds to the customer profile is identified.

Another aspect of the invention provides one or more financial resource profiles, wherein at least one of the financial resource profiles and/or a verified service provider profile is identified as generally corresponding to the customer profile. Another aspect of the invention provides one or more alternative investment resource profiles, wherein  
5 at least one of the alternative investment resource profiles and/or a verified service provider profiles is identified as generally corresponding to the customer profile.

In a preferred embodiment, the invention concerns a system for generating one or more verified service provider profiles. The system has at least one computer having a memory operable to store one or more service provider profiles each having at least one  
10 credential. The system also has a data communications channel operable to transmit at least a portion of the service provider profiles to a verifier and receive verification information from the verifier. The computer is operable to identify service provider profiles having credentials that cannot be verified and compile one or more verified service provider profiles. The system includes at least one insurance policy insuring that  
15 the credentials of each of the verified service provider profiles are correct.

The system preferably has at least one associated server. In a preferred aspect, the system has an extranet including a computer and security measures (such as application level security, a firewall or the like). Preferably, only users having a valid user name and password are allowed access to secure data. The system is preferably  
20 operable to receive at least one customer profile and identify at least one verified service provider profile that generally corresponds to the customer profile.

In a preferred embodiment, the invention relates to a tiered matching system and method designed to match investors with the investment professionals best suited to their individual needs. A plurality of criteria (e.g., twenty-two) are used to match investors  
25 and professionals. The tiered matching system and method is operable to receive one or more service provider profiles. Each service provider profile has at least one absolute service provider matching criteria and at least one tiered service provider matching criteria. At least one customer profile is received, the customer profile having at least one absolute customer matching criteria and at least one tiered customer matching  
30 criteria. A score is generated for each service provider profile based on the absolute service provider matching criteria, tiered service provider matching criteria, absolute customer matching criteria and tiered customer matching criteria. At least one service

provider profile is identified as generally corresponding to the customer profile based on the score.

In yet another embodiment, the invention relates to the combination of a service provider referral system and method and a tiered matching system and method. One or  
5 more service provider profiles each having at least one credential, at least one absolute service provider matching criteria and at least one tiered service provider matching criteria are compiled. The credentials of each of the service provider profiles are verified and service provider profiles having credentials that cannot be verified are identified. One or more verified service provider profiles are compiled. At least one insurance  
10 policy is obtained insuring that the credentials of each of the verified service provider profiles are correct.

At least one customer profile is received, the customer profile having at least one absolute customer matching criteria and at least one tiered customer matching criteria. A score is generated for each service provider profile based on the absolute service  
15 provider matching criteria, tiered service provider matching criteria, absolute customer matching criteria and tiered customer matching criteria. At least one verified service provider profile is identified as generally corresponding to the customer profile based on the score.

**Brief Description of the Drawings**

Figure 1 is a general block diagram showing the basic components of computer system in accordance with the invention;

Figure 2 is a block diagram showing the operation of a computer system operable  
5 to provide investment matching in accordance with the invention;

Figure 3 is a block diagram showing the operation of a computer system operable to create and store service provider profiles in accordance with the invention; and

Figures 4-7 are data entry forms for creation of a service provider profile in accordance with the invention.

**10 Detailed Description of the Invention****Definitions**

The following terms shall have, for the purposes of this application, the respective meanings set forth below.

- **Database:** means a collection of information stored for later retrieval. Traditional  
15 databases are organized by fields, records, and files. A field is a single piece of information; a record is one complete set of fields; and a file is a collection of records. The term "database" is used herein in its broadest sense (i.e., a collection of information) and is not limited to any particular structure or implementation.
- **Data network:** means a group of two or more computer systems linked together in  
20 data communication. The term "data network" encompasses any type of wired or wireless computer network, independent of protocol, including local-area networks (LANs), wide-area networks (WANs), extranets and networks of networks including the Internet.
- **Extranet:** means an Intranet (network) that is partially accessible to authorized  
25 outsiders. Whereas an Intranet typically has security measures (such as application level security and/or a firewall) and is accessible only to people who are members of the same organization, an Extranet provides various levels of accessibility to outsiders. Typically one can access an Extranet only with a valid username and password. A user's identity typically determines which parts of the Extranet are available to the user.
- **HTML:** is an acronym for Hyper-Text Markup Language, the authoring language used  
30 to create documents on the World Wide Web. HTML defines the structure and layout of a Web document by using a variety of tags and attributes.

- **Intranet:** means a network, typically based on TCP/IP protocols, belonging to an organization, generally accessible only by the organization's members, employees, or others with authorization. An Intranet generally looks and acts just like any other Web site. A security system or firewall typically surrounds an Intranet to prevent  
5 unauthorized access
- **Link:** means an HTML element that provides a Hyper-Text link. For example an HTML element supporting the HREF attribute which specifies a Hyper-Text link to another resource, such as an HTML document, image or the like.
- **Server:** means a program running on a computer that provides some service to other  
10 (e.g., client) programs.

It is understood that all references to Internet domain names such as 123.com and the like are used herein for illustrative purposes only. These domain names have no correlation to any individual or business entity with an identical or similar Internet domain name previously or currently in use on the Internet or any individual or business  
15 entity adopting an identical or similar Internet domain name in the future.

The invention generally concerns an impartial forum operable to match investors with a universe of investment professionals, and matches both investors and professionals with a universe of financial resources and alternative investments. The invention provides a system and method for generating one or more verified profiles as  
20 well as a service provider referral system and method incorporating one or more verified profiles.

Figure 1 shows a block diagram of a computer system in accordance with the invention. The computer system has at least one server 10 (running on at least one computer) having an associated memory such as a database 20 operable store data such  
25 as one or more profiles each describing a service provider, alternative investment resource profiles and/or financial resource profiles. The server is operable to transmit and receive data to and from users such as potential investors or customers, third party verifiers and service providers.

In a preferred embodiment, the system includes security measures 30, such as  
30 application level security and/or a firewall to limit access to some of data stored by the system (i.e., secure data). Secure data may include portions of profiles (e.g., portions of a service provider profile that are verified by an independent third party verifier),



personal information, billing information and the like. The computer system can be advantageously configured as an extranet for providing secure remote access to secure data. It is understood that other components may be required to fully implement an extranet such as multiple firewalls, routers, policy servers, Web servers, application  
5 servers, enterprise management systems, data communications channels (e.g. communications equipment, leased data lines and the like), switches, encryption products and/or gateways and the like. Configuration of the required hardware and software to implement an extranet in accordance with the invention is well known to those skilled in the art.

10 The invention is preferably implemented with one or more HTML servers hosting an Internet Web site (e.g., an investment services referral services Web site). There are many varieties of commercially or publicly available World Wide Web server software packages which are compatible with the invention (e.g., Apache, IBM WebSphere products, NETSCAPE Enterprise, Microsoft Windows IIS Server and the like) all of  
15 which can be implemented with commonly available hardware from vendors such as IBM, Hewlett Packard, Compaq, Dell, Sun and numerous others that are known to those skilled in the art.

Data communication between servers 10 and security measures 30 are shown generally by arrow 40. Data communication paths between an internal data network  
20 (e.g., Lan, Wan, intranet or the like), external data network (e.g., the Internet, extranet or the like) are shown generally by arrows 50, 60. It is understood that secure communications are preferably routed through the security measures. Access to the less secure portions of the Internet Web site can be routed directly to the appropriate server. It is also understood that areas having private information can be provided with enhanced  
25 security via a variety of techniques.

Data communications via the Internet often traverse a series of intermediate network nodes prior to reaching the desired destination. Arrows 50 and 60 do not suggest a direct physical connection between the user and/or various servers and encompass typical Internet communications (a connectionless, best-efforts packet-based  
30 system).

Users wishing to access the Internet Web site will typically use a network processing device (not shown) coupled to the external data network (e.g., the Internet). Two or more network devices (e.g., a network processing device and server 10) as

disclosed herein are "coupled" so long as data communication between the devices is possible (e.g., hard wired data communication, wireless data communications and the like). Typical network processing devices include, but are not limited to, personal computers (portable or desktop), personal digital assistants (PDA), Browser phones, 2-way pagers or the like. Network processing devices also include browser software or the like for providing a user interface and enabling communication with the external data network (e.g., Microsoft Internet Explorer, Netscape Communicator, mini-browsers or the like).

In the context of the Internet, the network processing device and servers all communicate via TCP/IP protocol (Transmission Control Protocol over Internet Protocol). Each is network addressable in that it has a specific IP address (e.g., a 32-bit address defined by the Internet Protocol usually represented in dotted decimal notation) which is used to route data between the devices. It is also understood that other data networks using various network protocols are suitable for use in accordance with the invention.

Referring to Figure 2, when a potential investor or customer comes to the Web site (e.g. home page 100), they are preferably presented with the option of choosing among the several areas. The term "presented" or its formatives as used herein are used in their ordinary sense and include displaying or playing audio and/or visual information to a user. In the context of investment services, potential investors can access an investment matching area 110 or investor login area 130. Investment professionals can access an investment professional area 120. Introduction and help information is provided by help area 120. Inasmuch as each of these areas are preferably implemented in the context of the Internet, each of the various areas can be interconnected or linked. It is understood that some areas are only available to certain users and that navigation between areas can be varied without departing from the invention.

Typical investment professionals or service providers include: Registered Investment Advisors ("RIAs"); Those holding an MBA (MBAs), Financial Planners – Including those holding CFA, CFP and other credentials or designations; as well as Registered Representatives – Also commonly known as Stock Brokers. In a preferred embodiment service providers are limited to RIA's, Financial Planners and MBAs. Investment professionals will have the option of choosing between financial resources and alternative investments. The Web site is intended function as the home of thousands

of pre-screened investment professionals and alternative investment providers who are looking to gather assets at a greatly reduced cost in terms of time and money. It is also intended to be home to thousands of financial resources, including newsletters, magazines, online databases and planning tools.

- 5           Once the investment matching area 110 is chosen, the customer is presented with a questionnaire that assists in generating a customer profile. See block 150. Ultimately, several pieces of information will be stored in the database association with the customer profile including but not limited to: contact information, authentication information, questions answered, answers to questions, previous matches, saved professionals, contact  
10 log and the like. This portion of the Web site is preferably secured (e.g., SSL secured) to protect the customer's privacy.

- Preferably, personal contact information is not initially required and the customer can answer the questions anonymously. The questions are designed to elicit a simple yet comprehensive financial profile of the customer. For example, a tiered matching system  
15 or service provider filter (which matches investors with investment service providers) covers both quantitative and qualitative questions, ranging from the amount of investable assets and the zip code of the investor, to the investor's risk profile and communication style preferences. Because the customer may not be able to answer all of the questions, he/she may also select "I don't know," at which point he/she will be directed to a simple  
20 and user-friendly tutorial (see block 160) designed to assist in defining an appropriate response. Consequently, the profile based matching aspect of the invention also functions as an educational tool in conjunction with the tutorials that may appear throughout the process.

- Questions can be in multiple-choice, value-driven and preference ranking format.  
25 An exemplary questionnaire is shown in Appendix A, as discussed in detail below. After completing the questionnaire, the customer will receive a list of names of her/his top matches (e.g., top seven matches). The matches are preferably determined by generally identifying and ranking previously stored profiles that generally correspond to the customer profile. This is generally accomplished by comparing information in the  
30 customer profile (e.g., amount of investable assets, risk profile, communication style preferences and the like) with information contained in profiles associated with service providers, resources or alternative investments. For example a service provider profile may contain information such as minimum account sizes, investment philosophies,

services offered, geographic location, states in which the service provider is licensed and the like.

Many service providers will likely be eliminated solely based on investment minimums that are greater than the investor's assets, or a lack of a required license in the customer's state of residence. The remaining profiles can be ranked by a variety of methods. Preferably, ranking is based upon a weighting mechanism/decision tree that takes into account the attributes of the professionals' practices and the preferences of the investor. In the alternative a simple geographic ranking could be utilized (relying on a zip code matching system) and ranking the profiles by geographic proximity to the customer. A variety of matching techniques are compatible with the invention. However, a preferred tiered matching technique is discussed in detail below.

Resource and alternative investment profiles may contain information such as typical risk profiles, average investment amounts and the like. Profiles that correspond closest to the user or customer profile (e.g., based on investment minimums, geographic factors, risk and the like) are selected as matches for presentation to the user. A variety of matching techniques are compatible with this aspect of the invention as well including a tiered matching technique as discussed in more detail below. Typically, service providers and sophisticated investors will desire matching of resource and alternative investment profiles to their respective profiles. Accordingly, the invention contemplates optional matching and presentation of resources and alternative investments depending on the user's preferences. Users may also adjust their profile to identify a broader or narrower range of resources and alternative investments.

In order to proceed to the next step, the customer will then be asked to provide personal contact information. At this point, the customer will have invested some time and energy in the process and more likely to provide personal information. Presumably, the customer will have seen their top matches and will want to know more. See block 170. A customer wishing to read the Web site privacy policy can access a privacy statement defining how the requested personal information will be used. See block 180. Once personal contact information is provided, the list of matches will appear as hypertext (block 190), meaning that the customer can click on any of the profile names to receive a full showcase page regarding the professional, resource or alternative investment. See block 200.

In the case of investment professionals, the showcase preferably includes a picture, educational background, investment strategies, years in practice, assets under management and/or other pertinent information. Professionals may also post performance data for inclusion in the showcase. In a preferred embodiment, posted performance data is compliant with the guidelines set forth by the Association for Investment Management and Research (AIMR). The customer will be able to review the showcase pages for all matches or, if unsatisfied, additional matches can be generated.

Once the customer identifies a service provider is of interest, he/she can proceed to the final step of the process and select the option, "Contact this professional." See block 210. The customer will then be asked how they would like to be contacted by the professional and what hours or days are best. The computer system will then send the pertinent contact information to the professional, who is preferably under a contractual obligation to contact all leads within a short period of time (e.g., within two business days) as discussed in more detail below.

In the alternative, if the customer determines that a resource or alternative investment is of interest, the customer will be provided with information enabling them to subscribe to or purchase the resource and/or alternative investment.

Returning customers can log into the system (block 130) and access and/or modify their account information and settings (e.g., user name, password, personal information and the like). Customers can also access previous generated referral lists and service provider information. See block 230 and 240.

Referring to Figure 3, when a service provider (e.g., investment professional) comes to the Web site (e.g. home page 100), they can access an investment professional area 140. Previously registered service providers can access and/or modify their account information and settings (e.g., user name, password, personal information and the like). See block 250. Preferably, service providers are presented with a one or more data input forms and/or a questionnaire that assists in creating a service provider profile. See block 260. Service providers wishing to read the Web site privacy policy can access a privacy statement defining how the requested information will be used. See block 270. After completing the data input forms, the service provider is preferably requested to re-verify the information supplied and can obtain a summary of all information supplied. See block 280. In order to proceed to the next step, the service provider preferably agrees to contractual terms regarding the services they will offer in conjunction with the Web site

(e.g., a contractual obligation to contact all leads within a fixed period of time such as two business days). See block 290. The contract can be processed electronically (e.g., electronic signature) or by conventional means.

As discussed above, service providers may desire matching of resource and  
5 alternative investment profiles to their respective profiles. Accordingly, the invention  
contemplates optional matching and presentation of resources and alternative  
investments depending on the service provider's preferences or profile. Service  
providers may also adjust their preferences or profile to identify a broader or narrower  
range of resources and alternative investments. In a preferred embodiment, a temporary  
10 service provider profile (e.g., based on the service provider's verified profile) may be  
used for matching of resource and alternative investment profiles. See generally blocks  
190', 200' and 210' generally corresponding to blocks 190, 200 and 210 as discussed  
above with respect to potential investors.

Inasmuch as each of the blocks or areas shown in Figure 3 are also preferably  
15 implemented in the context of the Internet, each of the various areas can be  
interconnected or linked. It is understood that some areas are only available to certain  
users and that navigation between areas can be varied without departing from the  
invention.

The invention requires service providers (e.g., investment professionals) using  
20 the Web site to provide accurate information for creation of a service provider profile.  
At least a portion of the service provider profile will be available for display to others  
such as potential investors. Thus, the service provider profile is preferably as accurate as  
possible.

Due to the highly regulated nature of the securities industry most investment  
25 professionals are already registered with either the SEC or with state securities agencies.  
These agencies require completion and submission of a comprehensive federal or state  
disclosure document (ADV) prior to issuance of an RIA. Moreover, the ADV is required  
to be updated annually and if material changes to a professional's information occur.  
Government agencies also require that Stock Brokers complete and submit a  
30 comprehensive disclosure document (U-4). Both of these documents include detailed  
information on education, employment, regulatory and criminal past, and licenses and  
trade designations. Every service provider is preferably required to furnish copies of

their ADVs, U-4s or similar registration documents as part of the Web site registration process.

Despite the high quality of the information collected from the service providers in creating a service provider profile, the invention encompasses going another step further to assure the quality of each service provider profile stored in the database. A third-party will verify certain critical elements of the information such as various credentials provided by the service providers. Preferably, the four main categories of information and/or credentials requiring verification are:

1. Social Security #
2. Employment History
3. Educational Background
4. Professional designations, trade certifications and licenses

The term credential as it is used herein encompasses any information upon which a potential investor might rely, including but not limited to, employment history, educational background, degrees, awards, professional designations, trade certifications and licenses. Within each of the four areas, various pieces of information are verified by the third party verifier. TABLE 1 shows a preferred embodiment showing a practical number of verifications for each service provider in the database. It is understood that each and every piece of information in the database could be independently verified by a third party at an increased cost. However, acceptable results can be achieved with less than 100% verification.

**TABLE 1**

<b>ITEM(S) TO BE VERIFIED</b>	<b># of ITEM(s)</b>	<b>EXPLANATION</b>
SOCIAL SECURITY #	1	Social Security Number is often required as basis for checking most of the other data.
EMPLOYMENT HISTORY	Up to 2	Current and most recent previous employment are preferably verified
EDUCATION	Up to 2	Up to Two post-secondary school degrees are preferably verified. (See TABLE 2 for typical degrees.) (See Figure 4 for proposed presentation format.)

PROFESSIONAL DESIGNATIONS AND LICENSES	Up to 3	Up to 3 licenses/designations from the approved list will preferably be verified. Preferably, the professional will enter trade designations/licenses according to priority. (See TABLE 3 for a typical list with priority rankings.) (See Figure 5 for proposed presentation format.)
<b>TOTAL:</b>	<b>8</b>	

- The financial professional can optionally provide additional non-verified information that will appear in their profile including foreign language skills, zip code and additional credentials as shown in Table 1A below. However, the non-verified
- 5 information is preferably clearly labeled as such.

TABLE 1A

<b>NON-VERIFIED ITEMS</b>	<b># of ITEM(s)</b>	<b>EXPLANATION</b>
EMPLOYMENT HISTORY	Up to 2	The professional may enter information on the two jobs held just prior to those being verified.
EDUCATION	Up to 2	The professional may add information on up to 2 other post-secondary degrees held that qualify under the accepted degrees listed in TABLE 2.
PROFESSIONAL DESIGNATIONS AND LICENSES	Up to 4	The professional may/should enter information on up to 4 additional licenses/designations from the approved list. These may not include items with a higher priority than those that were verified. (See TABLE 3 for details)
<b>TOTAL:</b>	<b>8</b>	

- The Web site preferably accepts a fixed number of degrees from financial
- 10 professionals that may be verified. These degrees with their abbreviations and full names are listed below in TABLE 2.

TABLE 2

<b>DEGREE</b>	<b>DEGREE NAME</b>
AAS	ASSOCIATE IN ARTS AND SCIENCE
BA	BACHELOR OF ARTS
AB	BACHELOR OF ARTS
BBA	BACHELOR OF BUSINESS ADMINISTRATION
BS	BACHELOR OF SCIENCE
BE/BSE	BACHELOR OF ENGINEERING / SCIENCE IN ENGINEERING
LLB	BACHELOR OF LAW
MA	MASTER OF ARTS
MS	MASTER OF SCIENCE
MBA	MASTER OF BUSINESS ADMINISTRATION



MSFS	MASTER OF SCIENCE IN FINANCIAL SERVICES
MSE	MASTER OF SCIENCE IN ENGINEERING
LLM	MASTER OF LAWS
JD	JURIS DOCTORATE
LLD	DOCTOR OF LAWS
MD	DOCTOR OF MEDICINE
PHD	DOCTOR OF PHILOSOPHY

Professional designations, trade certifications and licenses are also preferably verified for accuracy. The Web site preferably accepts a fixed number of professional designations, trade certifications and licenses that may be verified as shown in TABLE 3

5 below.

In a preferred embodiment, service providers can designate up to three of their professional designations, trade certifications and licenses to be verified. An additional four professional designations, trade certifications and licenses can be submitted but will not be verified. It is understood that service provider membership can be based on other  
 10 licenses and/or designations or can be limited to a subset of licenses or designation (e.g., CPA, CFA, CFP, ChFC, MBA and RIA )

TABLE 3

DESIGNATION FULL NAME

(1)GENERAL LICENSES	
CPA	CERTIFIED PUBLIC ACCOUNTANT
RIA	REGISTERED INVESTMENT ADVISOR: State or SEC Registered
<u>BROKER- DEALER LICENSEES</u>	
SERIES 7	GENERAL SECURITIES REPRESENTATIVE
SERIES 63	UNIFORM SECURITIES AGENT STATE LAW EXAMINATION
SERIES 65	UNIFORM INVESTMENT ADVISOR LAW EXAMINATION
SERIES 6	INVESTMENT COMPANY PRODUCTS/VARIABLE CONTRACTS LIMITED REPRESENTATIVE
SERIES 66	UNIFORM COMBINED STATE LAW EXAMINATION
SERIES 24	GENERAL SECURITIES PRINCIPAL
SERIES 10	GENERAL SECURITIES SALES SUPERVISOR-

	GENERAL SECURITIES
<b>DESIGNATIONS</b>	
CFA	CHARTERED FINANCIAL ANALYST
CFP	CERTIFIED FINANCIAL PLANNER
ChFC	CHARTERED FINANCIAL CONSULTANT
CLU	CHARTERED LIFE UNDERWRITER
CPA (PFS)	CERTIFIED PUBLIC ACCOUNTANT (PERSONAL FINANCIAL SPECIALIST)
RFC	REGISTERED FINANCIAL CONSULTANT
CFS	CHARTERED FINANCIAL SPECIALIST
CMFC	CHARTERED MUTUAL FUND CONSULTANT
AFC	ACCREDITED FINANCIAL COUNSELOR
CIC	CHARTERED INVESTMENT COUNCIL
CIMA	CERTIFIED INVESTMENT MANAGEMENT ANALYST
ATP	ACCREDITED TAX PREPARER
ATA	ACCREDITED TAX ADVISOR
AAMS	ACCREDITED ASSET MANAGEMENT SPECIALIST
CRPC	CHARTERED RETIREMENT PLANNING COUNSELOR
CRPS	CHARTERED RETIREMENT PLAN SPECIALIST
BCS	BOARD CERTIFIED IN SECURITIES
BCE	BOARD CERTIFIED IN ESTATE PLANNING
BCI	BOARD CERTIFIED IN INSURANCE
BCM	BOARD CERTIFIED IN MUTUAL FUNDS
AEP	ACCREDITED ESTATE PLANNER
REBC	REGISTERED EMPLOYEE BENEFITS CONSULTANT
RHU	REGISTERED HEALTH UNDERWRITER
RFP	REGISTERED FINANCIAL PLANNER

With reference to Figures 4-6, the information subject to verification is preferably directly input by the service provider via one or more Web based forms. The information can then be subsequently verified by the third party verifier directly on the

5 Web site. This verification is preferably carried out under secure conditions in conjunction with the extranet discussed above. The extranet allows employees of the third part verifier to log directly in to a secure portion of the Web site through a password protected area. An exemplary questionnaire for gathering additional information used in generating a service provider profile is shown in Appendix B, as

10 discussed in detail below.

Each service provider profile has an associated status stored by the computer system. Preferably, each time a status is changed, timestamp information is logged. In a preferred embodiment, there are two categories of statuses – the verification status and the approval status as set out below.

5       **Approval Statuses:**

- New - When a service provider profile is first entered the approval status is tagged as New.

- In Progress - A service provider profile moves to status “In Progress” as soon as the approval process begins.

10       • Cancelled - The Web site administrator preferably has the ability to cancel an investor. This does not delete the professional from the system, but merely puts the account in a status of Cancel.

- Approved - The Web site administrator may be required to approve some of the information entered by a professional. Once all of this information has been approved,

15       the professional reaches a status of Approved.

**Verification Statuses:**

- New - When a profile is first entered the system, the verification status is tagged as new.

- In Progress - A profile moves to status “In Progress” as soon as the verifier

20       begins the verification process.

- Verified - After the profile is verified, the verification status is tagged as Verified. Verified records can be incorporated into the verified database.

- Failure - If the verifier cannot verify all of the information in the profile (regardless of the reason), the verification status is tagged as Failure. This may not be a

25       permanent status.

- Resubmit - After a failure status, the administrator preferably has the option to resubmit the profile. This will put the account into the Resubmit status.

- Cancelled – If the administrator cancels the account, the verification status also becomes Cancelled and the professional is removed from the verified database.

30       The verifier preferably checks the status of new service provider profiles waiting for verification (e.g., approval status = Approved, verification status = New). The verifier can give final authentication when the relevant information has been successfully

verified (e.g., by updating the verification status associated with the service provider profile, electronic signature or the like). The verified profiles are then compiled into database of verified service provider profiles. Only verified service provider profiles are compiled into a verified database that is made available to others (e.g., to potential  
5 investors during the investment matching process).

The verifier can also identify certain information or profiles as being unverified after adequate attempts at verification have proven fruitless (e.g., verification status = Failure). An unverified profile is not included in the verified database until the proper verification can be effected. Preferably, the verifier is able to save work in progress and  
10 return to it. This portion of the Web site is preferably highly secure. In a preferred embodiment, other parties have extremely limited access (i.e., "write" access) to the verifiable information.

Customers (e.g., potential investors) accessing the Web site will ultimately contact and select a service provider at least partially based on information provided by  
15 the Web site. It is also likely a customer would choose to do business with a particular service provider based in part on the credentials or information contained in the service provider profile. To protect the customer, the invention encompasses going another step further to assure the quality of each service provider profile stored in the database by securing an insurance policy that insures customers that rely on incorrect information  
20 contained in the verified service provider profiles.

In the event that a customer registers with the Web site whereupon a match with a service provider is made, that customer may receive the benefits of a surety program. Insurance policies in accordance with the invention, although heretofore unknown in the art, are available from an insurance syndicate such as Lloyds of London that specializes  
25 in providing insurance coverage for newly identified risks. In a preferred embodiment, coverage is provided for amounts transferred to and lost by a service provider (e.g., investment professional) due to negligence, embezzlement, misuse of funds, gross mismanagement or fraud. Coverage is preferably provided only if a customer becomes aware that certain credentials of the service provider that were verified by the verifier  
30 were materially inaccurate on the date the customer and service provider were matched by the Web site. Preferably, the coverage extends only to the initial amounts transferred to the Investment Professional after a match is made. Other provisions of a preferred

insurance policy in accordance with the invention are well within the scope of one skilled in the art.

In a preferred embodiment, the system utilizes a tiered matching system designed to match investors with the investment professionals best suited to their individual needs.

- 5 A plurality of criteria (e.g., twenty-two) are used to match investors and professionals. These criteria preferably include minimum investment, risk tolerance, investment style, fee structure and location. Preferably, investors and professionals specify their profiles by answering a series of questions. See e.g., Appendix A and B, respectively. The answers provided in response to the questions are used to generate a score for each
- 10 professional profile, thereby providing a mechanism for identifying at least one verified service provider profile that generally corresponds to the customer profile.

The tiered matching system takes into account the weight or significance of each of the criteria relative to the other criteria. The tiered matching system also takes into account the variation of each criterion among various service providers or professionals.

- 15 These two levels of distinction allow for the calculation of individualized scores for each service provider. The relative importance of the different criteria is embodied by the tiers into which they are divided. Relatively important criteria are placed in higher tiers (and valued at higher orders of magnitude) than the less important criteria. As such, the tiered matching system provides a logical basis for scoring professionals with respect to
- 20 the stated needs and desires of a particular investor.

The tiered matching system generates a score for each service provider in the database. In a preferred embodiment, the score is comprised of 6 composites:

Score =  $C_0 * (C_1 + C_2 + C_3 + C_4 + C_5)$ , where

- 25  $C_0$  = absolute criteria  
 $C_1$  = first-tier matching criteria  
 $C_2$  = second-tier matching criteria  
 $C_3$  = third-tier matching criteria  
 $C_4$  = fourth-tier matching criteria  
30  $C_5$  = fifth-tier matching criteria

Each of these composites is weighted on a progressively lower order of magnitude.

### Global Function

Throughout the tiered matching system, a curve shaping function, for example the global function set out below, is often employed to facilitate the generation of scores used in the matching of profiles to user or customer profiles or preferences. The curve  
 5 shaping function accommodates the distinct reasoning which underlies the scoring of each criterion. An exemplary curve shaping function is as follows:

$$y = N * (S * \sqrt[4]{(x - H) + V}), \text{ where}$$

N = normalizing coefficient  
 I = intensity  
 10 S = stretch  
 H = horizontal turning point  
 V = vertical turning point

Two general parameters accompanying the use of the global function are:

15 If  $x = 0$ , then  $y = 0$ , regardless of the  $y$  value generated by the global function. This accounts for minor variation in the global function.

If  $y < 0$ , then  $y$  is artificially set to 0. This also accounts for minor variation in the  
 20 global function.

Conceptually, the global function is employed such that a score of 6 is consistently treated as a "passing score" for the profile.

### Absolute Criteria - Composite score ( $C_0$ )

As a threshold matter, a service provider must meet certain absolute requirements  
 25 in order to be a potential match for an investor. The service provider must be legally licensed to practice in the investor's state of residence, have a minimum investment requirement less than or equal to the amount of money to be placed by the investor, offer tax-deferred account management for investors who seek it, and offer discretionary or non-discretionary account management, depending upon the investor's stated preference.  
 30 These four absolute requirements are embodied in the first composite score ( $C_0$ ):

$$C_0 = a * b * c * d, \text{ where}$$

a = state  
 b = minimum investment  
 c = tax-deferred account management  
 35 d = discretionary account management

Each of the values comprising  $C_0$  receives a score of either 0 or 1. Consequently, if any of these receives a 0, then the service provider will receive a  $C_0$  score of 0 (and

effectively be eliminated from contention). It is possible that all service providers profiles may generate a score of zero for a given customer. In this event, no service provider profiles will be identified as generally corresponding to the customer profile.

5           **State (a)**

If the states specified by a service provider do not match the state associated with the investor's zip code, then  $a = 0$ . Otherwise,  $a = 1$ . See e.g., Appendix A, question 3 and Appendix B, question 1.

**Minimum investment (b)**

10           If a service provider's minimum investment requirement is not less than or equal to the bottom of the range selected by the investor, then  $b = 0$ . Otherwise,  $b = 1$ . See e.g., Appendix A, question 5 and Appendix B, question 5.

**Tax-deferred account management (c)**

15           If a service provider does not manage tax-deferred accounts and the investor specifies that some/all of the investment is in a tax-deferred account, then  $c = 0$ . Otherwise,  $c = 1$ . See e.g., Appendix A, question 4 and Appendix B, question 7.

**Discretionary account management (d)**

20           If a service provider does not manage discretionary accounts and the investor specifies that s/he wants a discretionary account, then  $d = 0$ . Otherwise,  $d = 1$ . If the service provider does not manage non-discretionary accounts and the investor specifies that s/he wants a non-discretionary account, then  $d = 0$ . Otherwise,  $d = 1$ . See e.g., Appendix A, question 11 and Appendix B, question 6.

**First-tier matching criteria - Composite score ( $C_1$ )**

25           Once it is determined that a service provider and an investor meet each other's absolute requirements, the first-tier matching criteria must be scored for each service provider. In a preferred embodiment, this tier represents the services offered by the service provider. As such, the composite score ( $C_1$ ) for the first tier is as follows:

$$C_1 = e \times 10^5, \text{ where} \\ e = \text{services offered (the value, } e, \text{ is defined below)}$$

30

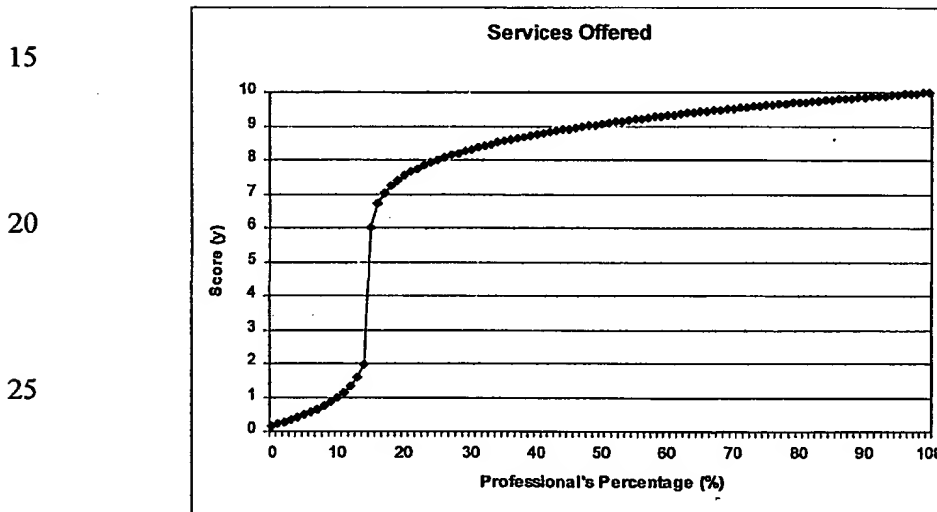
**Services offered (e)**

An investor is matched with service providers who offer the services required by the investor. The service provider is asked to indicate the percentage of clients to whom

s/he provides each type of service. See Appendix B, question 10. The investor is asked to indicate several services of interest (e.g., up to five). See Appendix A, question 1. The global function is applied to generate  $y$ , using the following values as shown graphically in Table 4 below:

- 5             $X = \% \text{ of service provider's clients receiving service} / 10 \text{ (i.e., } 100\% / 10)$   
                $N = 0.46991722165494$   
                $I = 5$   
                $S = 8$   
                $H = 1.4768$   
 10            $V = 9$

TABLE 4



- 30            The values used in the global function were chosen so that a service provider who provides a service for 15% of her/his clients would receive a “passing” score of 6. Above 6, the service provider’s score increases at a diminishing rate up to a perfect score of 10.

- For each service that the investor chooses, the global function is applied to generate a value,  $y$ . The sum of the  $y$  values is multiplied by a normalizing factor,  $Nf$ , in order to yield the final score,  $e$ . Note that  $Nf$  varies based on the number of choices made by the investor as follows:

- For 1 service:  $Nf = 1$   
               For 2 services:  $Nf = 0.5$   
 40           For 3 services:  $Nf = 0.\bar{3}$



For 4 services:  $Nf = 0.25$

For 5 services:  $Nf = 0.2$

The above  $Nf$  values were derived by taking a service provider who offered every service selected to every client and normalizing to a perfect score of 10. If the investor  
5 does not choose any services, then  $e = 10$  for all service providers.

**Second-tier matching criteria - Composite score ( $C_2$ )**

After the service providers have been scored on the basis of absolute requirement and first-tier criteria, they are then evaluated with respect to the next tier of matching  
10 criteria. The second-tier matching criteria provide the basis for the following composite score ( $C_2$ ):

$$C_2 = (f' + g' + h' + i') \times 10^4, \text{ where}$$

$f' = y(f)$ , risk focus

$g' = y(g)$ , time horizon

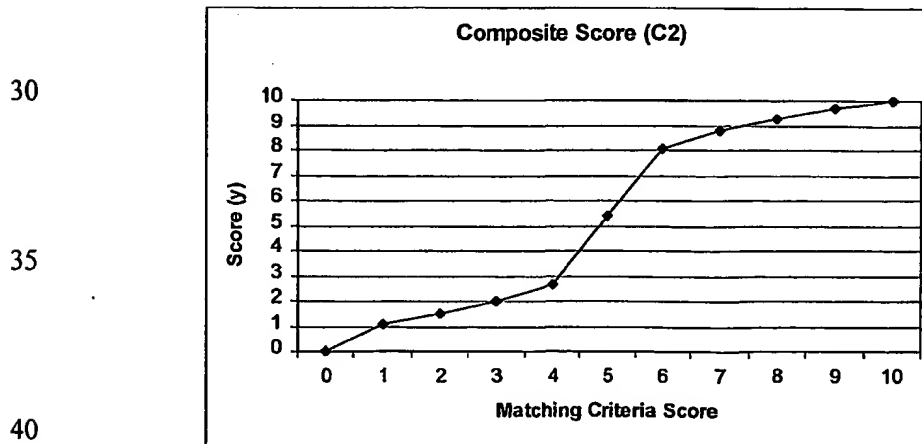
$h' = y(h)$ , investment instruments

15  $i' = y(i)$ , growth-income

The prime values utilized to generate  $C_2$  are calculated by applying the global function,  $y$ , to each of the scores obtained below with the following values as shown graphically in Table 5 below:

20  $X = f, g, h \text{ or } i$   
 $N = 1.347718$   
 $S = 2$   
 $H = 5$   
 $I = 3$   
 25  $V = 4$

**Table 5**



The values used in the global function were chosen so that a service provider with three scores of 10 and one score of 0 receives a worse score than a service provider with four "passing" scores of 6. The values comprising  $C_2$  are detailed below.

#### Risk focus (f)

It is preferable to match an investor with a service provider whose practice focuses on the investor's specified risk tolerance. On a scale of one to ten, the service provider is asked to provide a range of risks within which her/his practice is focused.

See Appendix B, question 9. The investor is asked to specify an approximate risk tolerance on a scale of one to ten. See Appendix A, question 7. Then, the global function is applied to generate  $y$ , utilizing the following values as shown graphically in Table 6:

$$X = 10 - |\text{service provider's mean risk} - \text{investor's risk}|$$

$$N = 1.88356330669634$$

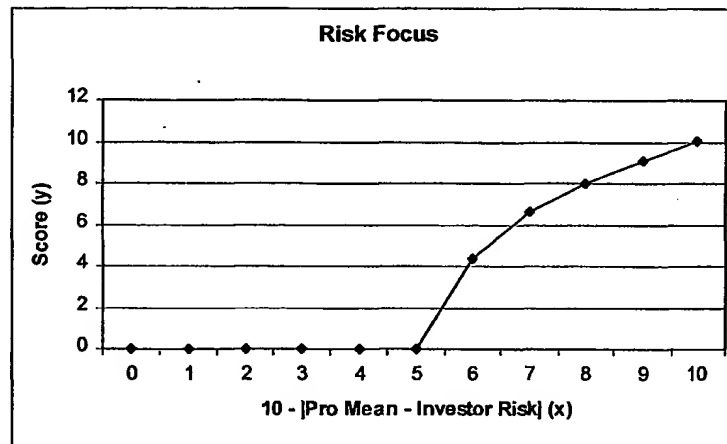
$$I = 2.635$$

$$S = 3$$

$$H = 5.499999$$

$$V = 0$$

Table 6



The values used in the global function were chosen so that the worst possible service provider range that encompasses an investor's stated risk would generate a score greater than 0. This reflects the significant divergence between such a service provider and investor.

A range coefficient,  $R_c$ , is then applied to  $y$  in order to generate the score,  $f$ .

$f = y * Rc$ , where:

$$Rc = 1 - (\text{Pro range}/36)$$

$$\text{Pro range} = \text{pro's maximum} - \text{pro's minimum}$$

5

The coefficient was designed so that the worst acceptable match (with a difference of 2, as discussed above) would yield a “passing” score of 6. Thus, a difference of 2 generates a  $y$  value of 8 and the coefficient for the greatest possible service provider range (9) is 0.75 (i.e.,  $8 * 0.75 = 6$ ).

10

For service providers whose range does not encompass the investor’s specified risk level, the final score,  $f$ , is multiplied by 0.891 and then divided by the absolute value of the difference between the investor’s stated risk and the near end of the service provider’s range. Thus, a service provider whose range misses an investor’s risk by one and who has a range of three receives a “passing” score.

15

In cases where the investor fails to provide an approximate risk tolerance (e.g., selects “I don’t know”) then the investor is assigned a risk level of 2.5 (conservative to moderate).

#### **Time horizon (g)**

The time horizon of the investor must be correlated with the time horizon focus of a service provider’s practice. The service provider indicates the percentage of her/his client base that falls within different time horizon categories. See Appendix B, question 14. The investor specifies the time horizon of the investment to be placed. See Appendix A, question 6. Then, the global function is applied to generate  $g$ , utilizing the following values as shown graphically in Table 7:

25

$X = \% \text{ of service provider's clients in given category} / 10$  (i.e., 100% 10)

$N = 0.466811662392933$

$I = 5$

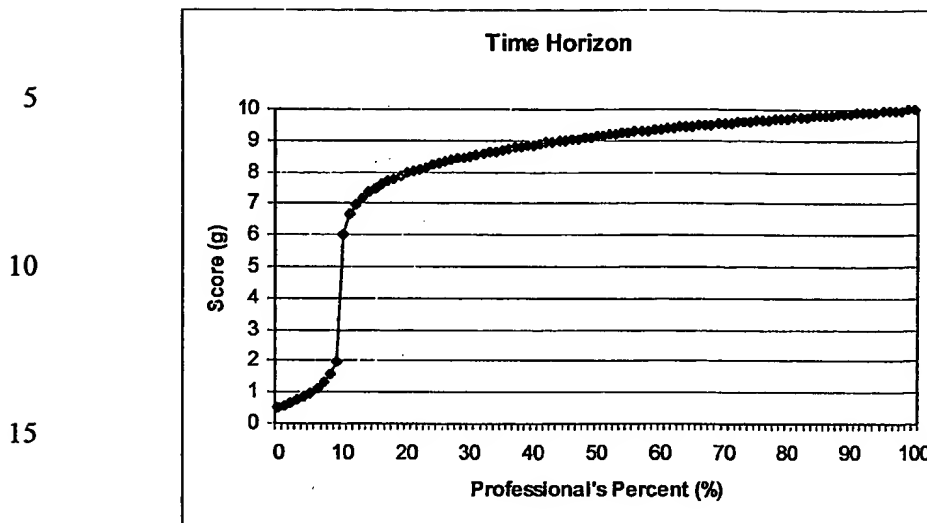
$S = 8$

$H = 0.97405$

30

$V = 9$

Table 7



The values used in the global function were selected such that a service provider with 10% of her/his clients in the specified time horizon category receives a "passing" score of 6. Below 10%, the service provider's score drops dramatically. Above 10%, the rate of increase of the service provider's score diminishes up to a perfect score of 10. In cases where the investor fails to provide a time horizon (e.g., an investor selects "I don't know") then  $g = 10$  for all service providers.

#### Investment instruments (h)

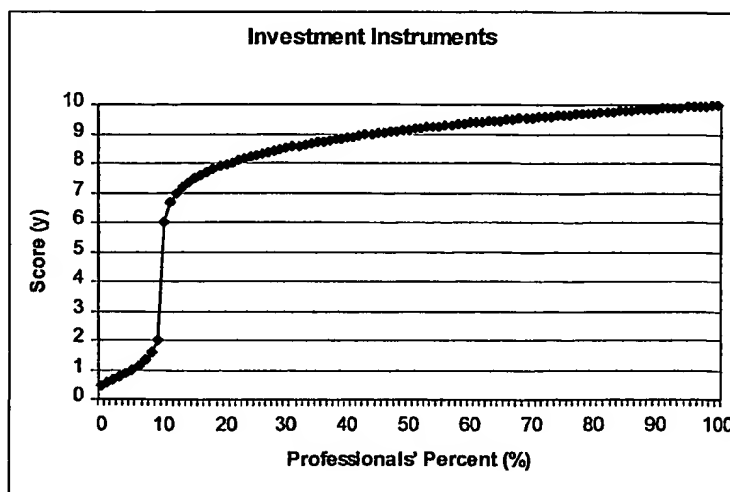
The investor's selection of investment instruments is matched with the service provider's distribution of those assets among the clients that s/he services. The service provider indicates the percentage of total assets managed in each type of investment instrument. See Appendix B, question 13. The investor indicates up to 5 investment instruments in which they are interested. See Appendix A, question 8. The investor categories of investment instruments represent the sums of the following service provider categories:

Investor	Service provider
Stocks	All individual stocks, except foreign currency denominated
Stock mutual funds	<ul style="list-style-type: none"> <li>• Common stock funds</li> <li>• Index funds</li> <li>• Balanced funds</li> <li>• Funds of funds</li> <li>• Other mutual funds (1/2)</li> </ul>
Bonds	All fixed income, except international bonds
Bond mutual funds	<ul style="list-style-type: none"> <li>• Bond funds</li> <li>• Other mutual funds (1/2)</li> </ul>
Real estate (REITs)	Real estate (REITs)
Options	Options
Alternative investment funds	All alternative investment funds
Annuities	Annuities
International investments	<ul style="list-style-type: none"> <li>• Foreign currency denominated securities</li> <li>• International bonds</li> <li>• International mutual funds</li> </ul>

Then, the global function is applied to generate  $y$ , using the following values as shown in Table 8:

5         $X = \% \text{ of service provider's clients in given instrument} / 10$  (i.e.,  $100\% = 10$ )  
        $N = 0.466811662392933$   
        $I = 5$   
        $S = 8$   
        $H = 0.97405$   
 10        $V = 9$

Table 8



Here, the values used in the global function were selected such that a service provider with 10% of her/his clients in the specified investment instrument receives a “passing” score of 6. Above 10%, the rate of increase of the curve diminishes. Below 10%, there is a steep drop-off, since this implies little expertise on the part of the service provider.

For each instrument that the investor chooses, the global function is applied to generate a value,  $y$ . The sum of the  $y$  values is multiplied by a normalizing factor,  $Nf$ , in order to yield the final score,  $h$ .  $Nf$  varies based on the number of choices made by the investor as follows:

10      For 1:  $Nf = 1$   
           For 2:  $Nf = 0.547323$   
           For 3:  $Nf = 0.386016$   
           For 4:  $Nf = 0.302474$   
           For 5:  $Nf = 0.251415$

15

The above  $Nf$  values were derived by taking a perfectly balanced service provider portfolio and normalizing it to a perfect score of 10. If an investor does not select any investment instruments, then  $h = 10$  for all service providers.

#### **Growth v. income (i)**

20      Investors and service providers are matched on the basis of investment goals. Investors are asked to specify whether they are looking for a growth-oriented account, an income-oriented account, or a combination of the two. See Appendix A, question 9. Service providers are asked to provide the breakdown of their clients in those categories. See Appendix B, question 11. The global function is then applied to generate  $i$ , using the following values as shown graphically in Table 9:

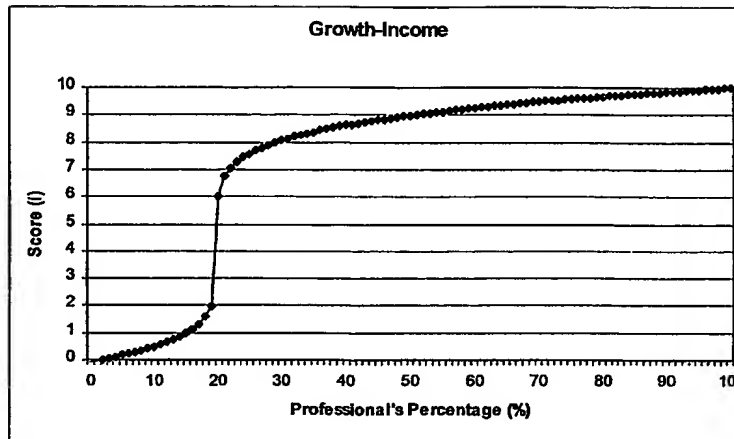
$X = \% \text{ of service provider's clients in specified category} / 10 \text{ (i.e., } 100\% = 10)$   
            $N = 0.473216628265635$   
            $I = 5$   
            $S = 8$   
 30       $H = 1.9794$   
            $V = 9$

Table 9

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If the investor answers “growth,” then  $x = \text{service provider's \% growth} / 10$ . If the investor answers “income”, then  $x = \text{service provider's \% income} / 10$ . If the investor answers “both”, then  $x = \text{service provider's \% hybrid} / 10$ .

The values used in the global function were selected so that a service provider with 20% of her/his clients in the specified category receives a “passing” score of 6. Above 20%, the service provider’s score increases at a diminishing rate up to a perfect score of 10. In cases where the investor fails to specify whether they are looking for a growth-oriented account, an income-oriented account, or a combination of the two (e.g., investor selects “I don’t know”) then  $i = 10$  for all service providers.

### Third-tier matching criteria - Composite score ( $C_3$ )

Third-tier matching criteria serve to further differentiate the service providers. In a preferred embodiment, there is only one third-tier element: foreign language skills. See Appendix A, question 17(b). For investors who request a service provider with a specific foreign language skill, this has been deemed a more significant factor than the fourth- and fifth-tier criteria. The third-tier score is as follows:

$$C_3 = j \times 10^3, \text{ where} \\ j = \text{foreign language}$$

**Foreign language (j)**

Investors and service providers are matched on the basis of foreign language skills only when the investor specifies the need. If the service provider possesses the particular foreign language skill requested by the investor, then  $j = 10$ . If the service provider does not possess the particular language skill, then  $j = 0$ .

Under certain conditions a location score can be added to  $C_3$ . For example if the customer specifies that location is an important criteria then the value,  $q$ , (a fourth tier criteria discussed below) can be elevated to the third tier (and it is multiplied by  $10^3$  and added to  $C_3$ ).

10      **Fourth-tier matching criteria - Composite score ( $C_4$ )**

The service providers are further differentiated on the basis of investor preferences. The fourth-tier matching criteria provide the basis for the following composite score ( $C_4$ ):

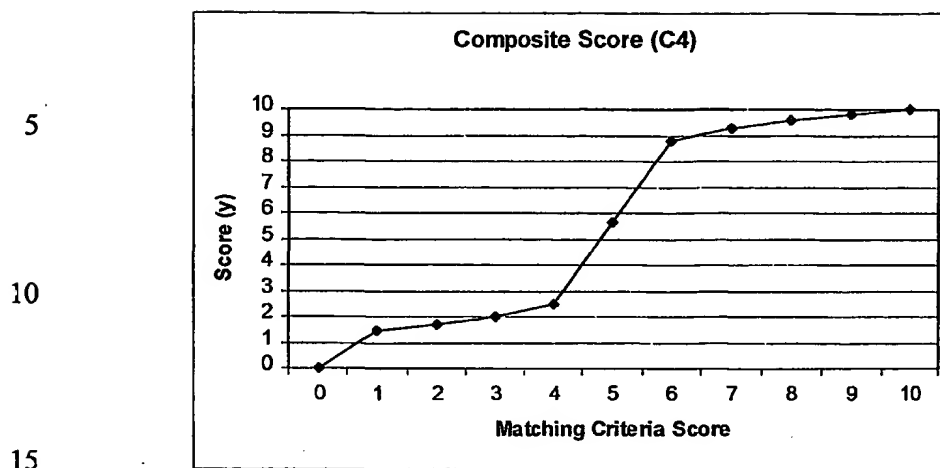
15       $C_4 = (k' + l' + m' + n' + o' + p' + q') \times 10^2$ , where  
 $k' = y(k)$ , years experience  
 $l' = y(l)$ , e-mail usage  
 $m' = y(m)$ , frequency of communication  
 $n' = y(n)$ , discretionary account management  
 $o' = y(o)$ , fee structure  
20       $p' = y(p)$ , investment style  
 $q' = y(q)$ , location

The prime values utilized to generate  $C_4$  are calculated by applying the global function,  $y$ , to each of the scores obtained below with the following values as shown graphically in Table 10:

25       $X = k, l, m, n, o, p$  or  $q$   
 $N = 1.40758$   
 $S = 2.25$   
 $H = 5$   
30       $I = 5$   
 $V = 4$



Table 10



The values used in the global function were selected such that a service provider with six scores of 10 and one score of 0 receives a worse score than a service provider with seven “passing” scores of 6. The values comprising  $C_4$  are detailed below.

20 **Years experience (k)**

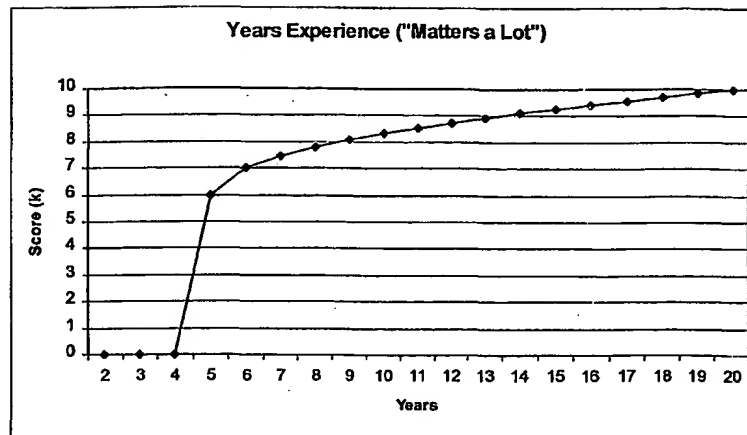
Service providers and investors are matched based on the service provider’s years of experience. The service provider provides her/his number of years of experience in the investment industry. See Appendix B, question 2. The investor is asked to indicate the extent to which years of experience matters. See Appendix A, question 13. There

25 are three choices:

If the investor chooses “Extremely Important” then the global function is applied to generate  $k$ , using the following values as shown in Table 11:

30  $X$  = service provider’s years of experience  
 $N = 1.03273956408453$   
 $S = 1$   
 $H = 5$   
 $I = 2$   
 $V = 5.81$

Table 11



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Any service provider with less than five years experience receives a score of 0. A service provider with five years experience receives a "passing" score of 6. A service provider with twenty years of experience or more receives a perfect score of 10. If the investor chooses "Important" then the global function is applied to generate  $k$ , using the following values as shown graphically in Table 12:

$X$  = service provider's years of experience

$N = 2.2871374549472$

$S = 1$

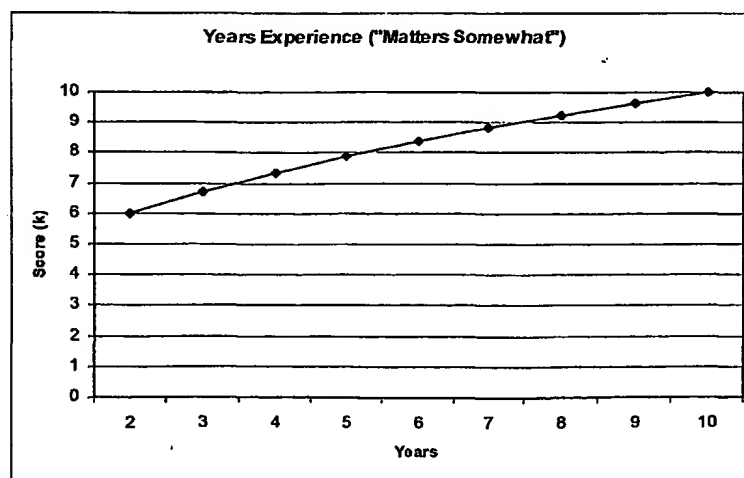
$H = 0$

25

$I = 2$

$V = 1.21$

Table 12



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In a preferred embodiment, there are no service providers with less than two years experience in the database. The values used in the global function were chosen

such that a service provider with two years experience would receive a "passing" score of 6. All service providers with ten years of experience or more receive a perfect score of 10. If the investor chooses "Not Important" then  $k = 10$  for all service providers.

#### E-mail usage (l)

5 Investors who indicate a desire to use e-mail as part of the relationship are matched with service providers who indicate use of e-mail with their clients. See Appendix A, question 15 and Appendix B, question 15. The global function is applied to generate  $l$ , using the following values as shown graphically in Table 13:

$X = \% \text{ of service provider's clients using e-mail} / 10 \text{ (i.e., } 100\% = 10)$

10  $N = 0.466811662392933$

$S = 8$

$H = 0.97405$

$I = 5$

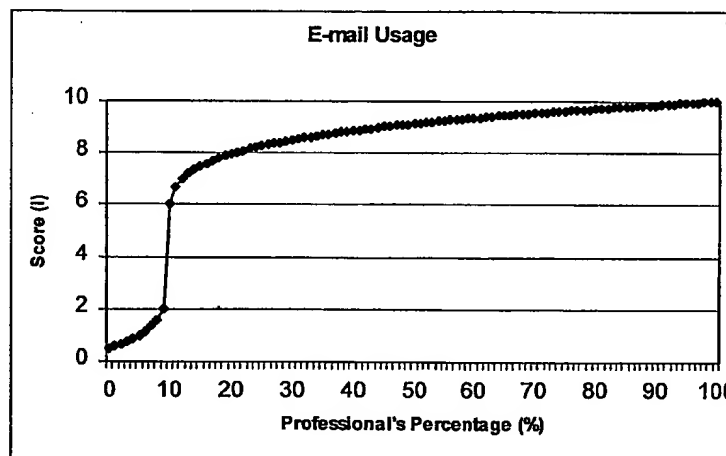
$V = 9$

15

**Table 13**

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The values used in the global function were selected such that 10% of a service provider's relationships with clients occurs via e-mail, then the service provider receives a "passing" score of 6. After 10%, the rate of increase of the score diminishes up to 20%, after which point all service providers receive a score of 10. If the investor chooses "Not important to me," then  $l = 10$  for all service providers.

35

#### Frequency of communication (m)

Investors are matched with service providers who typically communicate with clients at the frequency desired by the investor. Both investors and service providers select from five possible frequencies of typical interaction. See Appendix A, question 16 and Appendix B, question 16.

The service provider's score,  $m$ , is calculated as follows:

if investor's choice (1 to 5) – service provider's choice (1 to 5) =

- 5      -4, then  $m$  is 1  
        -3, then  $m$  is 2  
        -2, then  $m$  is 3  
        -1, then  $m$  is 5  
        0, then  $m$  is 10  
        1, then  $m$  is 9  
        2, then  $m$  is 7  
 10      3, then  $m$  is 6  
        4, then  $m$  is 5

A negative score implies that a service provider does not fall within the investor's chosen frequency of communication, so  $m$  is scored as a "failure" (below 6).

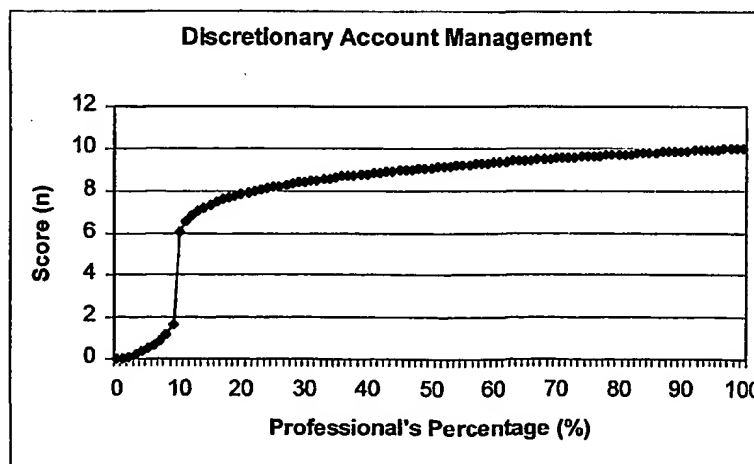
- 15      Additionally, a positive difference of four was scored a "failure."

#### Discretionary account management ( $n$ )

- Investors and service providers are matched on the basis of discretionary and non-discretionary account management. Service providers are asked to indicate the percentage of their clients' in discretionary and non-discretionary accounts. See Appendix E, question 6. Investors indicate whether they would like a discretionary account, non-discretionary account or "don't care". See Appendix A, question 11. The global function is applied to generate  $n$ , using the following values as shown graphically in Table 14:

- 25       $X$  = % of service provider's accounts in specified type (i.e., 10% = 10)  
         $N$  = 2.49867109194509  
         $S$  = 1  
         $H$  = 9.52  
         $I$  = 5  
         $V$  = 1.54

Table 14



The  $x$  value depends upon the investor's answer choice. If the investor requests a discretionary account, then  $x$  is the service provider's percent of discretionary accounts. If the investor requests a non-discretionary account, then  $x$  is the service provider's percent of non-discretionary accounts.

- 5 Here, the global function values were based on the determination that 10% is a minimum threshold for proficiency in a given type of account management. Additionally, the rate of increase of the curve diminishes such that there is little increase in score once the service provider indicates above 50% of the given account type. If investor selects "Not important to me," then  $n = 10$  for all service providers.

#### 10 Fee structure (o)

- Investors and service providers are matched on the basis of preferred fee structure. The service providers indicate the percent breakdown of their clients among the different types of fee structure. See Appendix B, question 8. Investors are asked to indicate up to five fee structures with which they would be comfortable. See Appendix 15 A, question 12. Then, the global function is applied to generate a value,  $y$ , for each fee structure chosen by the investor, using the following values as shown graphically in Table 15:

$X = \% \text{ of service provider's use of given fee structure} / 10$  (i.e.,  $100\% = 10$ )

$N = 0.466811662392933$

20  $I = 5$

$S = 8$

$H = 0.97405$

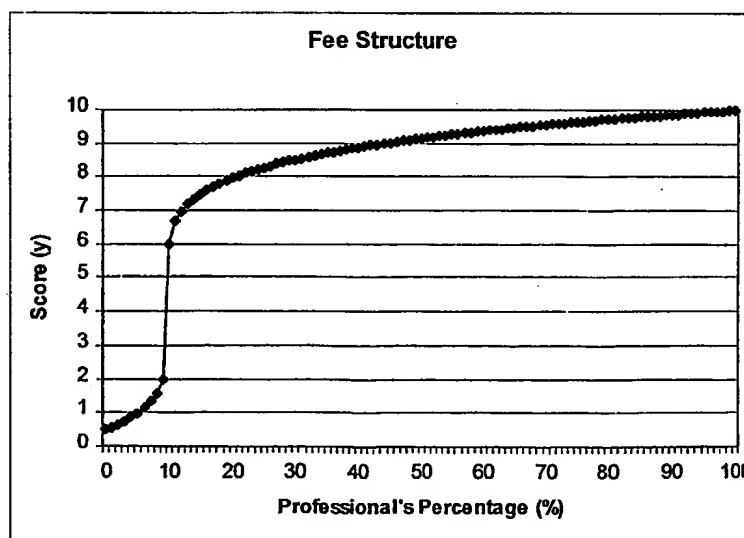
$V = 9$

Table 15

25

30

35



The global function values were chosen so that a service provider who utilizes a given fee structure with 10% of her/his clients receives a “passing” score of 6.

The sum of the  $y$  values is multiplied by a normalizing factor,  $Nf$ , in order to yield the final score,  $o$ . Note that  $Nf$  varies based on the number of fee structures chosen by

5 the investor as follows:

For 1 fee structure:  $Nf = 1$   
 For 2 fee structures:  $Nf = 0.547323$   
 For 3 fee structures:  $Nf = 0.386016$   
 For 4 fee structures:  $Nf = 0.302474$   
 10 For 5 fee structures:  $Nf = 0.251415$

The value,  $Nf$ , was derived by taking a perfectly balanced service provider’s fee structure and normalizing it to a perfect score of 10.

If the investor chooses “Not important to me,” then  $o = 10$  for all service  
 15 providers.

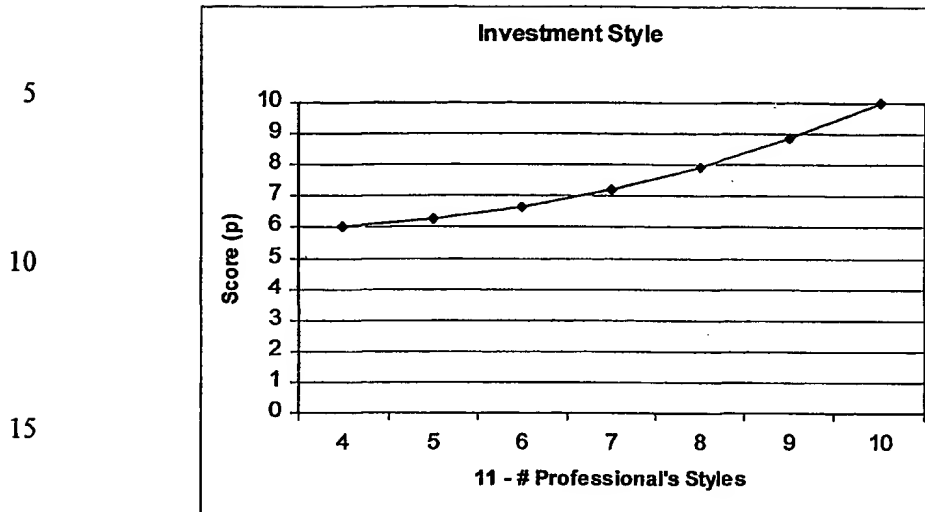
#### **Investment style (p)**

Investors and service providers are matched on the basis of specific investment styles. The service provider indicates up to seven investment styles that describe her/his practice. See Appendix A, question 12. The investor indicates that either s/he is  
 20 interested in one particular investment style or that s/he has no particular preference. See Appendix B, question 10.

If the investor chooses an investment style and it matches any of the service provider’s chosen styles, then the global function is applied to generate  $p$ , using the following values as shown graphically in Table 16:

25  $X = 11 - \# \text{ styles chosen by service provider}$   
 $N = 0.00427350427350427$   
 $S = 1$   
 $H = 0$   
 $I = 1/3$   
 30  $V = 1340$

Table 16



The global function values were selected such that a service provider who chooses all seven styles "passes" with a score of 6. A fraction was used in the global function for the value,  $I$ , in order to reflect the fact that a service provider who lists one style is a far better match than a service provider who lists two, but a service provider who lists six is not a significantly better match than a service provider who lists seven.

If the investor's choice does not match any of the service provider choices, then  $p = 0$ . If the investor chooses "disagree," then  $p = 10$  for all service providers.

#### Location ( $q$ )

Investors are given the opportunity to be matched with service providers whose offices are located nearest to the investor. See Appendix A, questions 2 and 3. The location match is based on a zip code database that provides distance between the centers of zip codes. The global function is applied to generate  $q$ , using the following values as shown graphically in Table 17:

$X = 200$  - distance (in miles)

$N = 1.085301261$

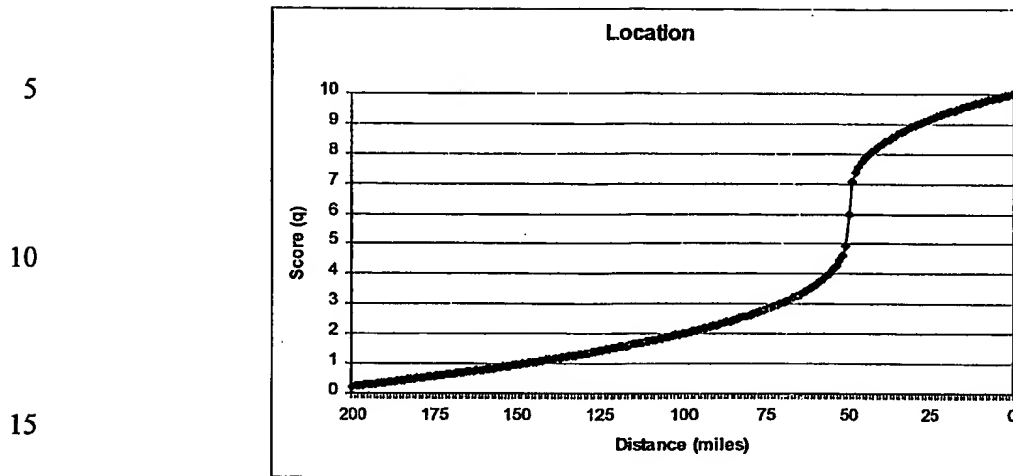
$S = 1$

$H = 150$

$I = 3$

$V = 5.53$

Table 17



The global function values were selected such that a distance of greater than two hundred miles yields a service provider score of 0. In order to pass with a score of 6, a service provider must be fifty miles away or less.

The investor has three answer choices to determine the significance of location. If the investor chooses "strongly agree," then  $q$  is elevated to a third-tier criterion (which is multiplied by  $10^3$ ), it is added to  $C_3$ , and  $q = 10$  in this tier. If the investor chooses "agree," then  $q$  remains a fourth-tier criterion. If the investor chooses "disagree," then  $q = 10$  for all service providers.

#### Fifth-tier matching criteria - Composite score ( $C_5$ )

The least significant preference criteria are in the fifth tier. The fifth-tier matching criteria provide the basis for the following composite score ( $C_5$ ):

30

$$C_5 = (r' + s' + t' + u' + v') \times 10^1, \text{ where}$$

35

- $r' = y(r)$ , size of average client's assets
- $s' = y(s)$ , service provider as "educator"
- $t' = y(t)$ , educational institution
- $u' = y(u)$ , age of service provider
- $v' = y(v)$ , gender of service provider

The prime values utilized to generate  $C_5$  are calculated by applying the global function,  $y$ , to each of the scores obtained below with the following values as shown graphically in Table 18:

40

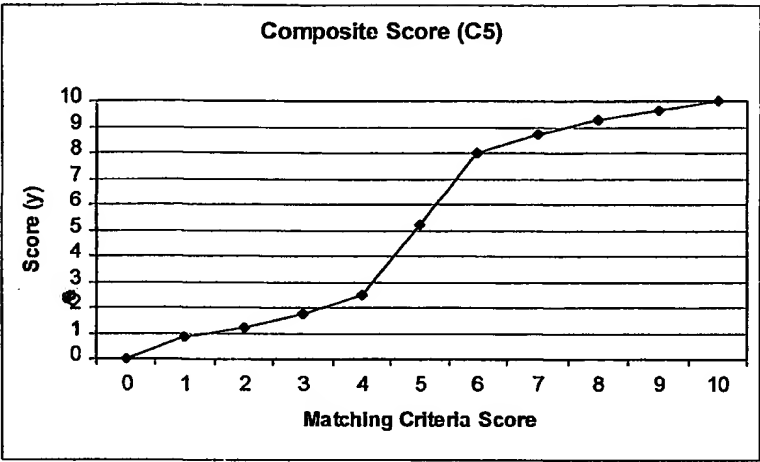
$$X = r, s, t, u \text{ or } v$$

$$N = 1.309981$$



S = 2.125  
H = 5  
I = 3  
V = 4

Table 18



The global function values were selected such that a service provider with four scores of 10 and one score of 0 receives a worse score than a service provider with five “passing” scores of 6. The values comprising  $C_5$  are detailed below.

Size of average client’s assets ( $r$ )

Investors are matched with service providers whose average clients have assets comparable to the investors’ money to be placed. The service provider provides the number of clients and the total assets under management (thus, average assets can be calculated). See Appendix B, questions 3 and 4. The investor indicates one of eight ranges in which her/his investment fits. See Appendix A, question 5. The service provider’s average is then converted to one of those eight ranges, as well. The value,  $r$ , is determined as follows: if the absolute value of |the investor’s choice (1 to 8) – the service provider’s choice (1 to 8)| =

- 0, then  $r$  is 10
- 1, then  $r$  is 6
- 2, then  $r$  is 1
- 3, then  $r$  is 0.8
- 4, then  $r$  is 0.6
- 5, then  $r$  is 0.4
- 6, then  $r$  is 0.2
- 7, then  $r$  is 0

**Service provider as "educator" (s)**

Investors and service providers who believe that a service provider should play the role of financial "educator" are matched. Both investors and service providers are asked whether they "strongly agree," "agree," or "disagree" with the notion that the service provider is an "educator." See Appendix A, question 14 and Appendix B, question 17. Consequently,  $s$  is determined as follows:

If the investor chooses "strongly agree" then:

10  $s = 10$  if the service provider chose "strongly agree;"  
 $s = 6$  if the service provider chose "agree;"  
 $s = 0$  if the service provider chose "disagree."

If the investor chooses "agree" then:

15  $s = 10$  if the service provider chose "agree;"  
 $s = 6$  if the service provider chose "strongly agree;"  
 $s = 0$  if the service provider chose "disagree."

If the investor chooses "disagree" then:

20  $s = 10$  if the service provider chose "disagree;"  
 $s = 6$  if the service provider chose "agree;"  
 $s = 0$  if the service provider chose "strongly agree."

If the investor chooses "not important to me" then  $s = 10$ .

25

**Educational institution (t)**

Investors are matched with service providers who attended the educational institution specified by the investor. See Appendix A, question 17(d). If the investor's choice matches the service provider's institution, then  $t = 10$ . If the investor's choice does not match the service provider's institution, then  $t = 0$ .

30

If the investor does not select an educational institution, then  $t = 10$  for all service providers.

**Age of service provider (u)**

Investors are matched with service providers within the age range specified by the investors. Investors are asked to select from four age ranges. See Appendix A, question 17(c). The service provider's age is fit to one of those four age ranges. Then,  $u$  is calculated as follows: if the absolute value of |the investor's choice (1 to 4) – the service provider's choice (1 to 4)| =

35

0, then  $u$  is 10  
1, then  $u$  is 6  
2, then  $u$  is 3  
3, then  $u$  is 1

5

These values were selected since an age range difference of 1 should still “pass,” but the service provider should “fail” on this criterion if the difference is greater. If the investor chooses “don’t care,” then  $u = 10$ .

**Gender of service provider ( $v$ )**

10 Investors are matched with service providers who are female, when specified by the investor. See Appendix A, question 17(a). If the service provider is female, then  $v = 10$ . If the service provider is not female, then  $v = 0$ . If the investor does not select female, then  $v = 10$  for all service providers.

15 It is understood that at least a portion of the service provider profile may be presented to customers in association with a list of matches. However, certain portions of the service provider profiles remain secure (e.g., social security number, billing information and the like) and access to such information is limited to protect the service provider’s privacy.

20 Based on the foregoing disclosure it is also understood that similar matching techniques can be utilized to match resource and alternative investment profiles to user or customer preferences or profiles.

25 While this invention has been described with an emphasis upon preferred embodiments, it will be obvious to those of ordinary skill in the art that variations in the preferred devices and methods may be used and that it is intended that the invention may be practiced otherwise than as specifically described herein. Accordingly, this invention includes all modifications encompassed within the spirit and scope of the invention as defined by the claims that follow.

### Appendix A - Investor Questions

The investor is asked to answer the following questions in order to be matched with the investment professionals best suited to her/his individual needs.

1. Please indicate the financial services that interest you most (check no more than 5).
  - ☐ a) Investment services
  - ☐ b) Estate planning
  - ☐ c) Retirement planning
  - ☐ d) Educational planning
  - ☐ e) Tax preparation and planning
  - ☐ f) Insurance
  - ☐ g) Employee benefits
  - ☐ h) Business advisory
  - ☐ i) Alternative investment advisory (hedge funds, venture capital funds and private equity funds)
2. I would prefer being matched with an investment professional located near me.
  - a) Strongly agree
  - b) Agree
  - c) Disagree, I expect to use the telephone or e-mail, anyway
3. My zip code is: \_\_\_\_\_
4. The money I plan to invest initially is in a tax-deferred account, such as an IRA, Roth IRA, 401(k) or Keogh plan.
  - a) Yes
  - b) No
  - c) Some of it is in a tax-deferred account and some of it isn't
  - d) I don't know
5. I am planning to invest the following amount of money with an investment professional:
  - 01. \$10,000 - \$24,999
  - 02. \$25,000 - \$49,999
  - 03. \$50,000 - \$99,999
  - 04. \$100,000 - \$249,999
  - 05. \$250,000 - \$499,999
  - 06. \$500,000 - \$1 million
  - 07. \$1 million - \$1.99 million
  - 08. \$2 million or more
  - 09. None

6. Considering my primary financial objectives, I will need to withdraw some or all of my investment in:
- a) Less than 2 years
  - b) 2 to less than 5 years
  - c) 5 to less than 10 years
  - d) 10 to less than 20 years
  - e) 20 years or more
  - f) I'm not investing anything
  - g) I don't know
7. On a scale of 1 to 10, where 1 is very conservative and 10 is very aggressive, I believe that my level of risk regarding investments is:
- 1 - 2 - 3 - 4 - 5 - 6 - 7 - 8 - 9 - 10  
OR I don't know
8. Please indicate the types of investment that interest you most (check no more than 5).
- ☐ a) Stocks
  - ☐ b) Stock mutual funds
  - ☐ c) Bonds (including municipal, corporate and treasury)
  - ☐ d) Bond mutual funds
  - ☐ e) Real estate (REITs)
  - ☐ f) Options
  - ☐ g) Alternative investment funds (hedge funds, venture capital funds or private equity funds)
  - ☐ h) Annuities
  - ☐ i) International investments (including stocks, bonds and mutual funds)
9. I expect my investment with a professional to:
- a) Continue to grow without producing income for me now
  - b) Produce income for me now, but not grow in principal
  - c) Produce some income for me now and grow in principal somewhat, as well
  - d) I don't know
10. I am a very experienced investor who is familiar with the various investment styles used by professionals.
- a) Agree. I am looking for a professional whose particular style is described as:
    - i. Value
    - ii. Contrarian
    - iii. Market timing
    - iv. Sector
    - v. Fundamental
    - vi. Technical
    - vii. Indexing
  - b) Disagree

11. I am looking for a professional who will have to consult me before making any investments on my behalf.
- a) Agree
  - b) Disagree, I am interested in opening a "discretionary" account
  - c) Not important to me
12. I am comfortable paying an investment professional based on the following fee structure(s) (check all that apply):
- ☐ a) Commission on transactions
  - ☐ b) Percentage of assets
  - ☐ c) Hourly fee
  - ☐ d) Flat fee
  - ☐ e) Commission on products sold to you
  - ☐ f) Not important to me
13. I believe that the number of years of experience of an investment professional is:
- a) Extremely important
  - b) Important
  - c) Not important
14. I need an investment professional who will help to educate me about my financial affairs.
- a) Strongly agree
  - b) Agree
  - c) Disagree
  - d) Not important to me
15. I am interested in an investment professional who will communicate with me via e-mail (in addition telephone and/or meeting in person).
- a) Agree
  - b) Disagree
  - c) Not important to me
16. I expect to have contact with my investment professional:
- a) At least once a week
  - b) At least once a month
  - c) At least once a quarter
  - d) At least once every six months
  - e) At least once a year

17. I would prefer working with an investment professional who is (check all that apply):

- ☐ a) Female
- ☐ b) Fluent in \_\_\_\_\_
- ☐ c) Age:
  - 01. Don't care
  - 02. Under 30
  - 03. 30 to less than 40
  - 04. 40 to less than 50
  - 05. 50 or over
- ☐ d) An alumnae/us of \_\_\_\_\_

### Appendix B – Service Provider Questions

The service provider is asked to answer the following questions, among others, in order to become a service provider (e.g., a member of the professional community).

1. Please list all states in which you are licensed to operate: \_\_\_\_\_
2. How many years have you been in practice as an investment professional? \_\_\_\_\_
3. How many total assets do you personally have under management, if any? \_\_\_\_\_  
Assets firm wide (If only measured that way)? \_\_\_\_\_
4. How many clients do you personally serve? \_\_\_\_\_ Your firm? \_\_\_\_\_
5. What is your account minimum requirement for clients, if any? \$\_\_\_\_\_ If you have a minimum, do you ever make an exception for clients who show potential for growth? \_\_ Yes \_\_ No Under what circumstances? \_\_\_\_\_
6. What percentages of your accounts are managed in the following manner?  
Discretionary \_\_\_\_\_  
Non-discretionary \_\_\_\_\_  
100%
7. Do you handle tax-exempt accounts (e.g., IRA, KEOGH)? *(Please select only one response.)* \_\_ Yes \_\_ No
8. What percentage of your accounts is charged according to the following fee structures? *(Please be sure that the percentages add to 100.)*  
  
Commission on transactions \_\_\_\_\_  
Commission from products sold \_\_\_\_\_  
Percent of assets under management \_\_\_\_\_  
Percent of earned income \_\_\_\_\_  
Hourly rate \_\_\_\_\_



Monthly/annual flat fee \_\_\_\_\_  
 Other \_\_\_\_\_  
 100%

9. In what range would you rate your preference to manage various risk levels on a 10-point scale, where 10 is Aggressive and 1 is Conservative and Moderate is somewhere in the middle? *(Please make 2 selections: high end of the range and low end of the range.)*

<i>Aggressive</i>			<i>Moderate</i>				<i>Conservative</i>		
10	9	8	7	6	5	4	3	2	1

10. For each type of service that you offer, please indicate the percentage of your total clients that utilize that service. *(The percentages need NOT add to 100.)*

Investment advisory/management	_____
Estate planning/management	_____
Retirement planning	_____
Educational planning	_____
Tax planning – tax reduction	_____
Tax planning – tax preparation	_____
Insurance	_____
Charitable giving	_____
Bill payment	_____
Debt consolidation	_____
Business/professional advisory	_____
Employee benefits	_____
Alternative investment advisory	_____
Legal	_____
Other	_____

11. Considering all of your work, please allocate the percentage in each of the following categories. *(Please be sure that the percentages add to 100.)*

Income	_____
Growth	_____
Income-growth hybrid	_____
Other	_____
	100%

12. Which of the following best describe your investment strategy? *(Please select all that apply.)*

- 01. Value investing
- 02. Market timing
- 03. Sector
- 04. Contrarian
- 05. Fundamental analysis
- 06. Technical analysis (price momentum investing)
- 07. Indexing (passive)
- 08. Other or N/A

13. Considering the total assets you manage, approximately what percentage are invested in each of the following types of investments: *(Please be sure that the percentages add to 100.)*

Individual stocks:

Listed \_\_\_\_\_

OTC \_\_\_\_\_

Individual Securities:

US currency denominated \_\_\_\_\_

Foreign currency denominated \_\_\_\_\_

Initial Public Offerings \_\_\_\_\_

Fixed income:

Government securities \_\_\_\_\_

Municipal bonds \_\_\_\_\_

Corporate bonds \_\_\_\_\_

Mortgage-backed bonds \_\_\_\_\_

International bonds \_\_\_\_\_

Other fixed income \_\_\_\_\_

Domestic mutual funds

Money market funds \_\_\_\_\_

Bond funds \_\_\_\_\_

Common stock funds \_\_\_\_\_

Index funds (including tilts,

structured and quantitative funds) \_\_\_\_\_

Balanced fund

Funds of funds

Other mutual funds

International mutual funds

Real estate (including REITs)

Options

Alternative investment funds

Venture capital/limited partnerships \_\_\_\_\_

Hedge funds \_\_\_\_\_

Private Equity funds	_____
Cash or cash equivalents	_____
Annuities	_____
Other	_____

14. Considering the primary investment time horizon for your clients, please allocate the percentage in each of the following categories: *(Please be sure that the percentages add to 100.)*

Less than 2 years	_____
2-5 years	_____
5-10 years	_____
10-20 years	_____
20 years or more	_____
	100%

15. During the following types of client interaction, what percentage of your correspondence with clients is conducted using each method? *(Please be sure that the percentages in each column add to 100.)*

	Initial Introduction	Sales Process	Ongoing Service	Transaction Request and Recommendation
Telephone				
E-mail				
Written communication				
In-person meetings				
Other				
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Decline to answer	Y	Y	Y	Y

16. Do you typically have contact with clients *(Please select only one response):*

- 01. At least once a week
- 02. At least once a month
- 03. At least once a quarter
- 04. At least once every six months
- 05. At least once a year

17. I am interested in clients who will look to me to educate them about their financial affairs *(Please select only one response)*:

- 01. Strongly agree
- 02. Agree
- 03. Disagree
- 04. Strongly disagree

What is claimed is:

1. A method for generating one or more verified service provider profiles comprising:
  - 5 a) compiling one or more service provider profiles each having at least one credential;
  - b) verifying the credentials of each of the service provider profiles and identifying service provider profiles having credentials that cannot be verified;
  - c) compiling one or more verified service provider profiles; and
  - 10 d) obtaining at least one insurance policy insuring that the credentials of each of the verified service provider profiles are correct.
2. The method of claim 1 wherein the credentials of each of the verified service provider profiles are independently verified.
- 15 3. The method of claim 1 wherein each of the service provider profiles include at least one credential associated with at least one of a Registered Investment Advisor, MBA, Financial Planner and Registered Representative.
- 20 4. The method of claim 1 wherein each of the service provider profiles include at least one of a social security number, employment history, educational background, professional designations, trade certifications and licenses associated with a service provider.
- 25 5. The method of claim 1 wherein the insurance policy inures to the benefit of a customer who relies on a verified service provider profile having credentials that are materially inaccurate.
- 30 6. The method of claim 1 wherein the insurance policy inures to the benefit of a customer who relies on a verified service provider profile having credentials that are materially inaccurate for amounts transferred to and lost by a service provider due to one of negligence, embezzlement, misuse of funds, gross mismanagement and fraud.

7. A service provider referral method comprising:
- a) compiling one or more service provider profiles each having at least one credential;
  - b) verifying the credentials of each of the service provider profiles and
  - 5 identifying service provider profiles having credentials that cannot be verified;
  - c) compiling one or more verified service provider profiles;
  - d) obtaining at least one insurance policy insuring that the credentials of each of the verified service provider profiles are correct;
  - e) receiving at least one customer profile;
  - 10 f) identifying at least one verified service provider profile that generally corresponds to the customer profile.
8. The method of claim 7 wherein the credentials of each of the verified service provider profiles are independently verified.
- 15 9. The method of claim 7 wherein each of the service provider profiles include at least one credential associated with at least one of a Registered Investment Advisor, MBA, Financial Planner and Registered Representative.
- 20 10. The method of claim 7 wherein each of the service provider profiles include at least one of a social security number, employment history, educational background, professional designations, trade certifications and licenses associated with a service provider.
- 25 11. The method of claim 7 wherein the insurance policy inures to the benefit of a customer who relies on a verified service provider profile having credentials that are materially inaccurate.
- 30 12. The method of claim 7 wherein the insurance policy inures to the benefit of a customer who relies on a verified service provider profile having credentials that are materially inaccurate for amounts transferred to and lost by a service provider due to one of negligence, embezzlement, misuse of funds, gross mismanagement and fraud.

13. The method of claim 7 further comprising compiling one or more financial resource profiles and identifying at least one of the financial resource profiles and verified service provider profiles that generally correspond to the customer profile.

5 14. The method of claim 7 further comprising compiling one or more alternative investment resource profiles and identifying at least one of the alternative investment resource profiles and verified service provider profiles that generally correspond to the customer profile.

10 15. The method of claim 7 further comprising compiling one or more alternative investment resource profiles, compiling one or more financial resource profiles and identifying at least one of the financial resource profiles, alternative investment resource profiles and verified service provider profiles that generally correspond to the customer profile.

15 16. A system for generating one or more verified service provider profiles comprising:

at least one computer having a memory operable to store one or more service provider profiles each having at least one credential;

20 a data communications channel operable to transmit at least a portion of the service provider profiles to a verifier and receive verification information from the verifier, the computer being operable to identify service provider profiles having credentials that cannot be verified and compile one or more verified service provider profiles;

25 at least one insurance policy insuring that the credentials of each of the verified service provider profiles are correct.

17. The system of claim 16 wherein the credentials of each of the verified service provider profiles are independently verified.

30 18. The system of claim 16 wherein the insurance policy inures to the benefit of a customer who relies on a verified service provider profile having credentials that are materially inaccurate.



19. The system of claim 16 wherein the insurance policy inures to the benefit of a customer who relies on a verified service provider profile having credentials that are materially inaccurate for amounts transferred to and lost by a service provider due to one  
5 of negligence, embezzlement, misuse of funds, gross mismanagement and fraud.

20. The system of claim 16 wherein each of the service provider profiles include at least one credential associated with at least one of a Registered Investment Advisor, MBA, Financial Planner and Registered Representative.

10

21. The system of claim 16 wherein each of the service provider profiles include at least one of a social security number, employment history, educational background, professional designations, trade certifications and licenses associated with a  
service provider.

15

22. The system of claim 16 wherein the computer has at least one associated server.

23. The system of claim 22 comprising an extranet including the computer  
20 and security measures.

24. A system for generating one or more verified service provider profiles comprising:

an extranet having at least one computer with at least one associated server, the  
25 computer having at least one associated memory operable to store one or more service provider profiles each having at least one credential;

a data communications channel operable to transmit at least a portion of the service provider profiles to a verifier and receive verification information from the verifier, the computer being operable to identify service provider profiles having  
30 credentials that cannot be verified and compile one or more verified service provider profiles; and

at least one insurance policy insuring that the credentials of each of the verified service provider profiles are correct that inures to the benefit of a customer who relies on a verified service provider profile having credentials that are materially inaccurate.

5           25.     A service provider referral system comprising:

at least one computer having an associated memory operable to store one or more service provider profiles each having at least one credential;

10           a data communications channel operable to transmit at least a portion of the service provider profiles to a verifier and receive verification information from the verifier, the computer being operable to identify service provider profiles having credentials that cannot be verified and compile one or more verified service provider profiles;

at least one insurance policy insuring that the credentials of each of the verified service provider profiles are correct;

15           wherein the computer is operable to receive at least one customer profile and identify at least one verified service provider profile that generally corresponds to the customer profile.

20           26.     The system of claim 25 wherein the credentials of each of the verified service provider profiles are independently verified.

25           27.     The system of claim 25 wherein the insurance policy inures to the benefit of a customer who relies on a verified service provider profile having credentials that are materially inaccurate.

28.     The system of claim 25 wherein the insurance policy inures to the benefit of a customer who relies on a verified service provider profile having credentials that are materially inaccurate for amounts transferred to and lost by a service provider due to one of negligence, embezzlement, misuse of funds, gross mismanagement and fraud.

30           29.     The system of claim 25 wherein each of the service provider profiles include at least one credential associated with at least one of a Registered Investment Advisor, MBA, Financial Planner and Registered Representative.

30. The system of claim 25 wherein each of the service provider profiles include at least one of a social security number, employment history, educational background, professional designations, trade certifications and licenses associated with a  
5 service provider.

31. The system of claim 25 further comprising one or more financial resource profiles wherein the computer is operable to identify at least one of the financial resource profiles and verified service provider profiles that generally correspond to the customer  
10 profile.

32. The system of claim 25 further comprising one or more alternative investment resource profiles wherein the computer is operable to identify at least one of the alternative investment resource profiles and verified service provider profiles that  
15 generally correspond to the customer profile.

33. The system of claim 25 further comprising one or more alternative investment resource profiles and one or more financial resource profiles wherein the computer is operable to identify at least one of the financial resource profiles, alternative  
20 investment resource profiles and verified service provider profiles that generally correspond to the customer profile.

34. The system of claim 25 wherein the computer includes at least one server.

25 35. The system of claim 25 comprising an extranet including the computer and security measures.

36. A service provider referral system comprising:  
an extranet having at least one computer including at least one server, the  
30 computer having at least one associated memory operable to store one or more service provider profiles each having at least one credential;  
a data communications channel operable to transmit at least a portion of the service provider profiles to a verifier and receive verification information from the

verifier, the computer server being operable to identify service provider profiles having credentials that cannot be verified and compile one or more verified service provider profiles; and

at least one insurance policy insuring that the credentials of each of the verified  
5 service provider profiles are correct;

wherein the computer is operable to receive at least one customer profile and identify at least one verified service provider profile that generally corresponds to the customer profile.

10 37. The system of claim 36 wherein the credentials of each of the verified service provider profiles are independently verified.

38. The system of claim 36 further comprising one or more financial resource  
profiles wherein the computer is operable to identify at least one of the financial resource  
15 profiles and verified service provider profiles that generally correspond to the customer profile.

39. The system of claim 36 further comprising one or more alternative  
investment resource profiles wherein the computer is operable to identify at least one of  
20 the alternative investment resource profiles and verified service provider profiles that generally correspond to the customer profile.

40. The system of claim 36 further comprising one or more alternative  
investment resource profiles and one or more financial resource profiles wherein the  
25 computer is operable to identify at least one of the financial resource profiles, alternative investment resource profiles and verified service provider profiles that generally correspond to the customer profile.

41. A method for identifying at least one service provider profile that  
30 generally corresponds to a customer profile:

a) receiving one or more service provider profiles each having at least one absolute service provider matching criteria and at least one tiered service provider matching criteria;

b) receiving at least one customer profile having at least one absolute customer matching criteria and at least one tiered customer matching criteria;

c) generating a score for each service provider profile based on the absolute service provider matching criteria, tiered service provider matching criteria, absolute  
5 customer matching criteria and tiered customer matching criteria;

d) identifying at least one service provider profile that generally corresponds to the customer profile based on the score.

42. The method of claim 41 wherein the score is based on the product of an  
10 absolute composite score and at least one tiered composite score, the absolute composite score being based on the absolute service provider matching criteria and the absolute customer matching criteria, the tiered matching criteria composite score being based on the tiered service provider matching criteria and the tiered customer matching criteria.

43. The method of claim 41 wherein the service provider profiles has at least  
15 first and second tiered service provider matching criteria and the customer profile has at least first and second tiered customer matching criteria and wherein the score is based on the product of the absolute composite score and the sum of at least a first and second tiered composite score, the first tiered composite score being based on the first tiered  
20 service provider matching criteria and the first tiered customer matching criteria, the second tiered composite score being based on the second tiered service provider matching criteria and the second tiered customer matching criteria.

44. The method of claim 43 wherein the first and second tiered composite  
25 score are weighted on different orders of magnitude.

45. The method of claim 41 wherein the service provider profile has a plurality of tiered service provider matching criteria and the customer profile has a plurality of tiered customer matching criteria and wherein the score is based on the  
30 product of the absolute composite score and the sum of at least a plurality of tiered composite scores, each tiered composite score being weighted on a progressively lower order of magnitude.

46. The method of claim 41 wherein the absolute service provider matching criteria include at least one of a state in which the service provider is licensed to do business, a minimum investment amount, availability of tax-deferred account management services and availability of discretionary account management services.

5

47. The method of claim 41 wherein a first tiered service provider matching criteria includes at least one service offered by the service provider.

48. The method of claim 41 wherein a second tiered service provider  
10 matching criteria includes at least one of the service provider risk focus, preferred time horizon, preferred investment instruments and growth/income investment goals.

49. The method of claim 41 wherein a third tiered service provider matching criteria includes the service provider's risk foreign language skills.

15

50. The method of claim 41 wherein a fourth tiered service provider matching criteria includes at least one of the service provider's years of experience, e-mail usage preferences, frequency of communication, discretionary account management preferences, preferred fee structure, investment style and location.

20

51. The method of claim 41 wherein a fifth tiered service provider matching criteria includes at least one of the service provider's average client asset size, service provider as "educator" preferences, education institution, age and gender.

25 52. The method of claim 41 wherein the score for at least one service provider profile is generated utilizing a curve shaping function.

53. The method of claim 52 wherein the curve shaping function has at least one associated parameter representing one of a normalizing coefficient, intensity, stretch,  
30 horizontal turning point and vertical turning point.

54. The method of claim 52 wherein a first tiered service provider matching criteria includes services offered by the service provider and the tiered customer

matching criteria includes services desired by the customer and the curve shaping function is configured to generate a passing score based on a percentage of service provider clients receiving services that are similar to the services desired by the customer.

5

55. The method of claim 52 wherein a second tiered service provider matching criteria includes at least one of the service provider's risk focus, preferred time horizon, preferred investment instruments and growth/income investment goals and a second tiered customer matching criteria includes at least one of the customers desired  
10 risk focus, preferred time horizon, preferred investment instruments and growth/income investment goals and the curve shaping function is configured to generate a passing score based on one of the difference between the service provider and customer risk focus, a percentage of service provider clients having a time horizon that is similar to the customer's time horizon, a percentage of service provider clients investing investment  
15 instruments similar to the customer's preferred investment instruments and a percentage of service provider clients having growth/income investment goals that are similar to the customer's growth/income investment goals.

56. The method of claim 52 wherein a fourth tiered service provider matching  
20 criteria includes at least one of the service provider's years of experience, e-mail usage preferences, frequency of communication preferences, discretionary account management preferences, preferred fee structure, investment style and location and a fourth tiered customer matching criteria includes at least one of the customer's preferred years of experience, e-mail usage preferences, frequency of communication preferences,  
25 discretionary account management preferences, preferred fee structure, investment style preferences and location preferences, and the curve shaping function is configured to generate a passing score based on one of the service provider's years of experience, a percentage of service provider clients using e-mail, frequency of communication preferences, a percentage of service provider clients having discretionary account  
30 management preferences that are similar to the customer's discretionary account management preferences, a percentage of service provider clients having a fee structure that is similar to the customer's preferred fee structure, the service provider's investment style and the service provider's location.

57. The method of claim 52 wherein a fifth tiered service provider matching criteria includes at least one of the service provider's average client asset size, service provider as "educator" preferences, education institution, age and gender and a fifth  
5 tiered customer matching criteria includes at least one of customer's asset size, service provider as "educator" preferences, preferred education institution, preferred age and preferred gender and the curve shaping function is configured to generate a passing score based on one of the service provider's average client asset size, the customer and service provider service provider as "educator" preferences, the service provider's education  
10 institution, age and gender.

58. A system for identifying at least one service provider profile that generally corresponds to a customer profile comprising:  
at least one computer having a memory operable to store one or more service  
15 provider profiles wherein the computer is operable to receive one or more service provider profiles each having at least one absolute service provider matching criteria and at least one tiered service provider matching criteria;  
receive at least one customer profile having at least one absolute customer matching criteria and at least one tiered customer matching criteria;  
20 generate a score for each service provider profile based on the absolute service provider matching criteria, tiered service provider matching criteria, absolute customer matching criteria and tiered customer matching criteria; and  
identify at least one service provider profile that generally corresponds to the customer profile based on the score.

25

59. The system of claim 58 wherein the score is based on the product of an absolute composite score and at least one tiered composite score, the absolute composite score being based on the absolute service provider matching criteria and the absolute customer matching criteria, the tiered matching criteria composite score being based on  
30 the tiered service provider matching criteria and the tiered customer matching criteria.

60. The system of claim 58 wherein the service provider profiles has at least first and second tiered service provider matching criteria and the customer profile has at



least first and second tiered customer matching criteria and wherein the score is based on the product of the absolute composite score and the sum of at least a first and second tiered composite score, the first tiered composite score being based on the first tiered service provider matching criteria and the first tiered customer matching criteria, the  
5 second tiered composite score being based on the second tiered service provider matching criteria and the second tiered customer matching criteria.

61. The system of claim 60 wherein the first and second tiered composite score are weighted on different orders of magnitude.

10

62. The system of claim 58 wherein the service provider profile has a plurality of tiered service provider matching criteria and the customer profile has a plurality of tiered customer matching criteria and wherein the score is based on the product of the absolute composite score and the sum of at least a plurality of tiered  
15 composite scores, each tiered composite score being weighted on a progressively lower order of magnitude.

63. The system of claim 58 wherein the absolute service provider matching criteria include at least one of a state in which the service provider is licensed to do  
20 business, a minimum investment amount, availability of tax-deferred account management services and availability of discretionary account management services.

64. The system of claim 58 wherein a first tiered service provider matching criteria includes services offered by the service provider.

25

65. The system of claim 58 wherein a second tiered service provider matching criteria includes at least one of the service provider risk focus, preferred time horizon, preferred investment instruments and growth/income investment goals.

30 66. The system of claim 58 wherein a third tiered service provider matching criteria includes the service provider's risk foreign language skills.

67. The system of claim 58 wherein a fourth tiered service provider matching criteria includes at least one of the service provider's years of experience, e-mail usage preferences, frequency of communication, discretionary account management preferences, preferred fee structure, investment style and location.

5

68. The system of claim 58 wherein a fifth tiered service provider matching criteria includes at least one of the service provider's average client asset size, service provider as "educator" preferences, education institution, age and gender.

10

69. The system of claim 58 wherein the score for at least one service provider profile is generated utilizing a curve shaping function.

70. The system of claim 69 wherein the curve shaping function has at least one associated parameter representing one of a normalizing coefficient, intensity, stretch, horizontal turning point and vertical turning point.

15

71. The system of claim 69 wherein a first tiered service provider matching criteria includes services offered by the service provider and the tiered customer matching criteria includes services desired by the customer and the curve shaping function is configured to generate a passing score based on a percentage of service provider clients receiving services that are similar to the services desired by the customer.

20

72. The system of claim 69 wherein a wherein a second tiered service provider matching criteria includes at least one of the service provider's risk focus, preferred time horizon, preferred investment instruments and growth/income investment goals and a second tiered customer matching criteria includes at least one of the customers desired risk focus, preferred time horizon, preferred investment instruments and growth/income investment goals and the curve shaping function is configured to generate a passing score based on one of the difference between the service provider and customer risk focus, a percentage of service provider clients having a time horizon that is similar to the customer's time horizon, a percentage of service provider clients investing investment instruments similar to the customer's preferred investment instruments and a

25

30

percentage of service provider clients having growth/income investment goals that are similar to the customer's growth/income investment goals.

73. The system of claim 69 wherein a fourth tiered service provider matching  
5 criteria includes at least one of the service provider's years of experience, e-mail usage preferences, frequency of communication preferences, discretionary account management preferences, preferred fee structure, investment style and location and a fourth tiered customer matching criteria includes at least one of the customer's preferred  
10 years of experience, e-mail usage preferences, frequency of communication preferences, discretionary account management preferences, preferred fee structure, investment style preferences and location preferences, and the curve shaping function is configured to generate a passing score based on one of the service provider's years of experience, a percentage of service provider clients using e-mail, frequency of communication  
15 management preferences that are similar to the customer's discretionary account management preferences, a percentage of service provider clients having a fee structure that is similar to the customer's preferred fee structure, the service provider's investment style and the service provider's location.

20 74. The system of claim 69 wherein a fifth tiered service provider matching criteria includes at least one of the service provider's average client asset size, service provider as "educator" preferences, education institution, age and gender and a fifth tiered customer matching criteria includes at least one of customer's asset size, service provider as "educator" preferences, preferred education institution, preferred age and  
25 preferred gender and the curve shaping function is configured to generate a passing score based on one of a percentage of service provider clients an asset size that is similar to the client's asset size, the customer and service provider service provider as "educator" preferences, the service provider's education institution, age and gender.

30 75. A service provider referral method comprising:  
a) compiling one or more service provider profiles each having at least one credential and at least one absolute service provider matching criteria and at least one tiered service provider matching criteria;

b) verifying the credentials of each of the service provider profiles and identifying service provider profiles having credentials that cannot be verified;

c) compiling one or more verified service provider profiles each having at least one absolute service provider matching criteria and at least one tiered service provider matching criteria;

d) obtaining at least one insurance policy insuring that the credentials of each of the verified service provider profiles are correct;

e) receiving at least one customer profile having at least one absolute customer matching criteria and at least one tiered customer matching criteria;

d) generating a score for each service provider profile based on the absolute service provider matching criteria, tiered service provider matching criteria, absolute customer matching criteria and tiered customer matching criteria;

e) identifying at least one verified service provider profile that generally corresponds to the customer profile based on the score.

76. A service provider referral system comprising:

at least one computer having an associated memory operable to store one or more service provider profiles each having at least one credential;

a data communications channel operable to transmit at least a portion of the service provider profiles to a verifier and receive verification information from the verifier, the computer being operable to identify service provider profiles having credentials that cannot be verified and compile one or more verified service provider profiles;

at least one insurance policy insuring that the credentials of each of the verified service provider profiles are correct;

wherein the computer is operable to receive one or more service provider profiles each having at least one absolute service provider matching criteria and at least one tiered service provider matching criteria;

receive at least one customer profile having at least one absolute customer matching criteria and at least one tiered customer matching criteria;

generate a score for each service provider profile based on the absolute service provider matching criteria, tiered service provider matching criteria, absolute customer matching criteria and tiered customer matching criteria; and

identify at least one verified service provider profile that generally corresponds to the customer profile based on the score.

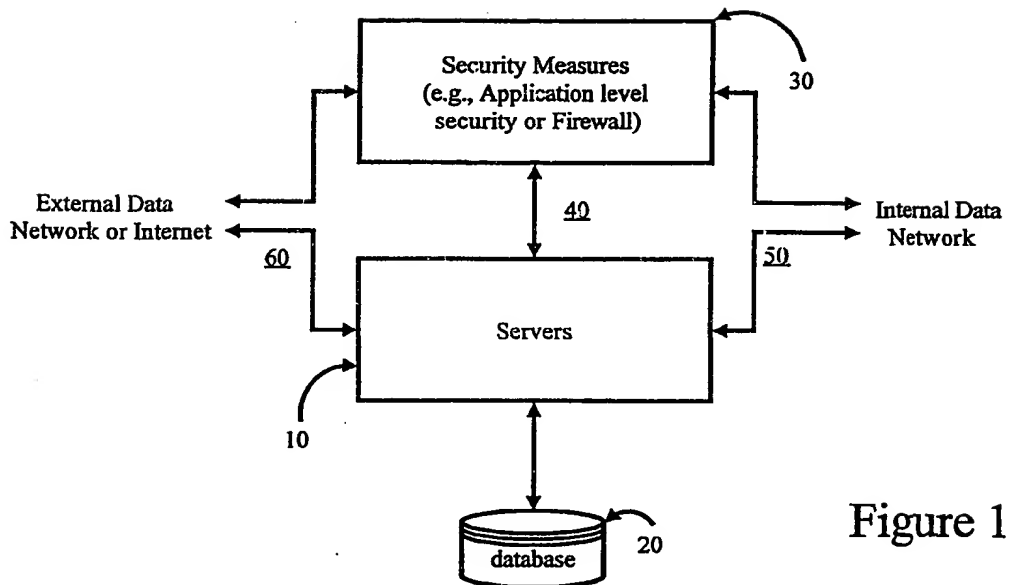


Figure 1

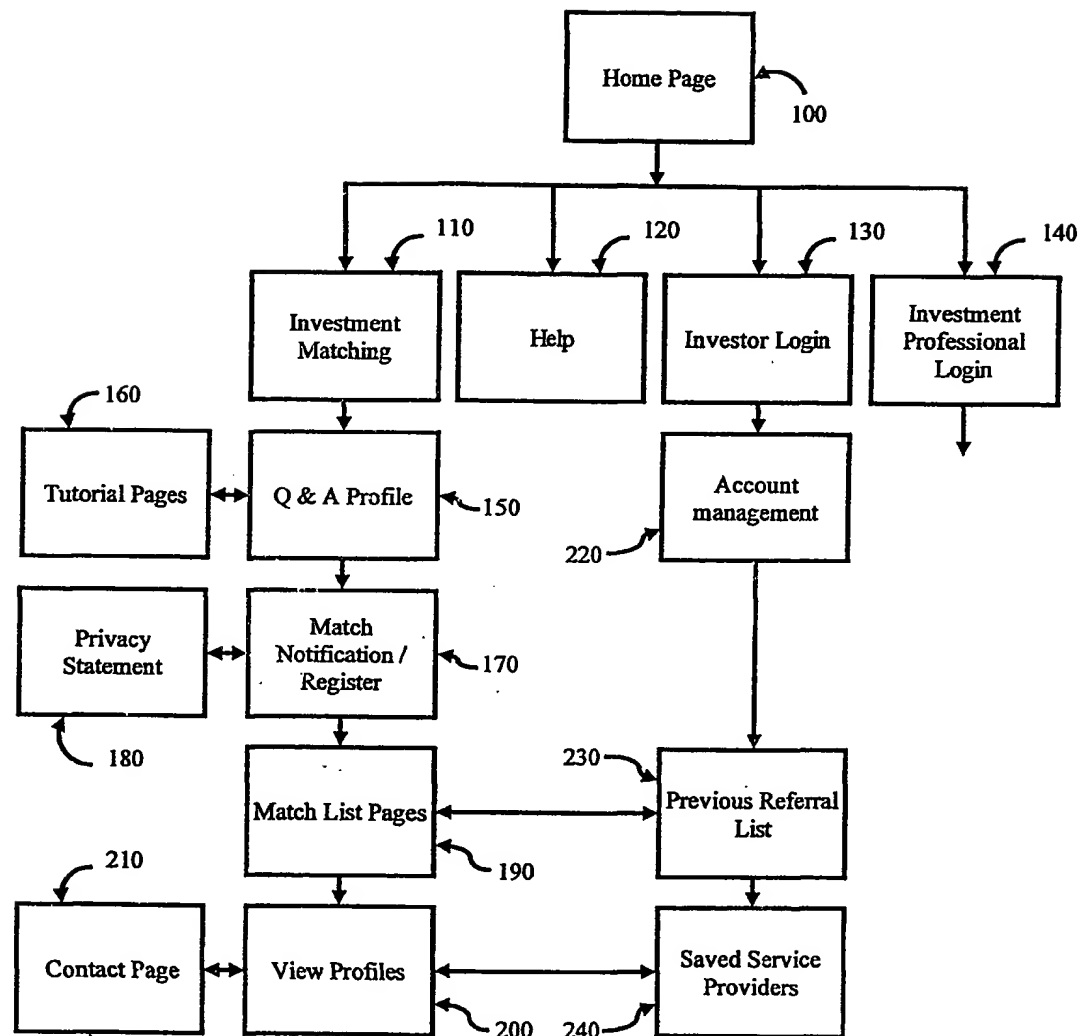


Figure 2

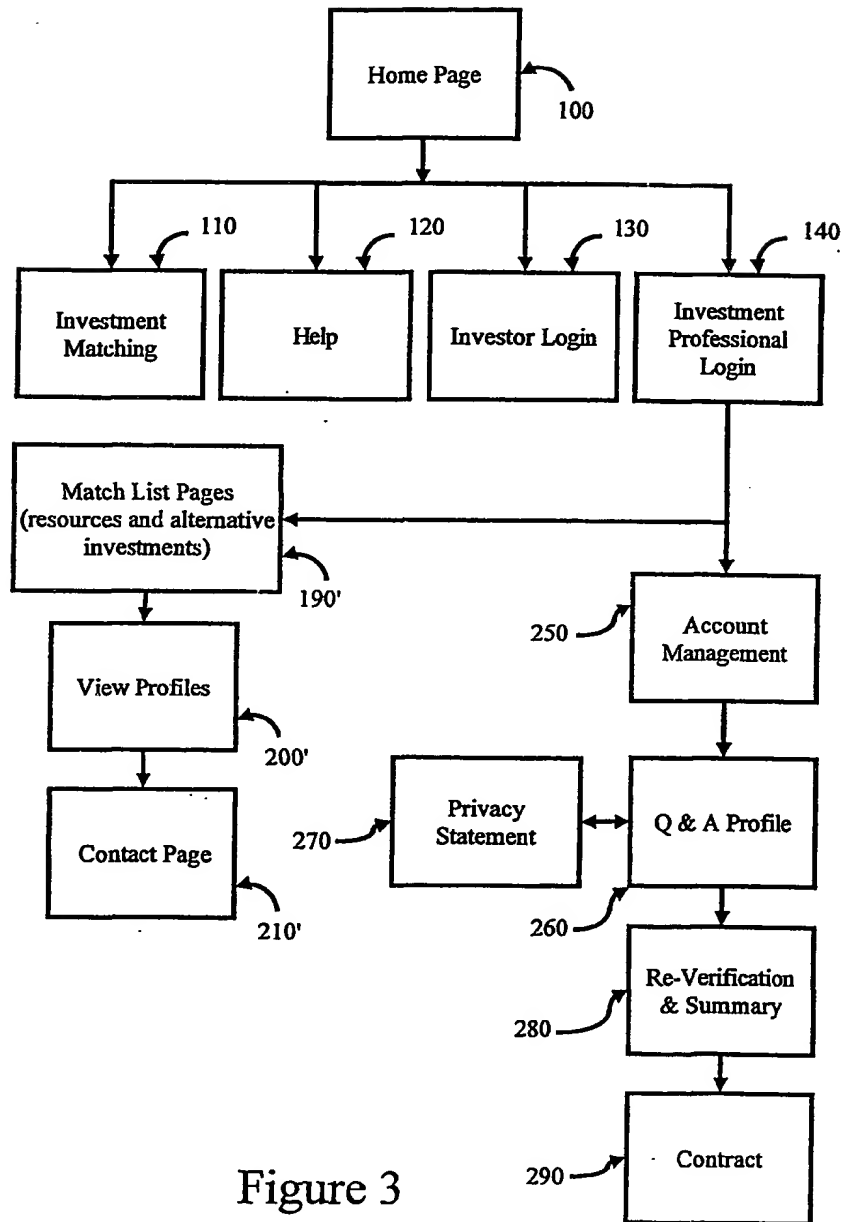


Figure 3



**Figure 4****FORM 1 - REQUIRED PRELIMINARY DATA:**

FIRST NAME \_\_\_\_\_ LAST NAME \_\_\_\_\_

MAIDEN OR PREVIOUS NAME (Last, First) \_\_\_\_\_

SSN \_\_\_\_\_ DATE OF BIRTH \_\_\_\_\_

**TO BE VERIFIED:**

DEGREE	_____
INSTITUTION	_____
CITY	_____
STATE	_____
YEAR GRADUATED	_____

...

**Figure 5****FORM 2 - REQUIRED PRELIMINARY DATA:**

FIRST NAME \_\_\_\_\_ LAST NAME \_\_\_\_\_

MAIDEN OR PREVIOUS NAME (Last, First) \_\_\_\_\_

SSN \_\_\_\_\_ DATE OF BIRTH \_\_\_\_\_

**TO BE VERIFIED****CURRENT EMPLOYMENT**

FIRM NAME	_____
STREET ADDRESS	_____
CITY	_____
STATE	_____
ZIP CODE	_____
TITLE	_____
DATE STARTED	_____

**MOST RECENT PREVIOUS EMPLOYMENT**

FIRM NAME	_____
STREET ADDRESS	_____
CITY	_____
STATE	_____
ZIP CODE	_____
TITLE	_____
DATE STARTED	_____
DATE ENDED	_____

## Figure 6

## FORM 2 (cont.)

ADDITIONAL (NOT TO BE VERIFIED)

## PREVIOUS EMPLOYMENT

FIRM NAME	_____
STREET ADDRESS	_____
CITY	_____
STATE	_____
ZIP CODE	_____
TITLE	_____
DATE STARTED	_____
DATE ENDED	_____

## PREVIOUS EMPLOYMENT

FIRM NAME	_____
STREET ADDRESS	_____
CITY	_____
STATE	_____
ZIP CODE	_____
TITLE	_____
DATE STARTED	_____
DATE ENDED	_____

...

**Figure 7****FORM 3 - REQUIRED PRELIMINARY DATA:**

FIRST NAME \_\_\_\_\_ LAST NAME \_\_\_\_\_

MAIDEN OR PREVIOUS NAME (Last, First) \_\_\_\_\_

SSN \_\_\_\_\_ DATE OF BIRTH \_\_\_\_\_

CRD # (if applicable) \_\_\_\_\_

APPLICANT'S SEC FILE # (applicable if RIA) 801- \_\_\_\_\_

**TO BE VERIFIED**

DESIG/CERT/LICENSE	_____
LICENSE/DESIG #	_____
DATE ATTAINED	_____
GRANTING BODY	_____

DESIG/CERT/LICENSE	_____
LICENSE/DESIG #	_____
DATE ATTAINED	_____
GRANTING BODY	_____

...